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ABSTRACT

The result of a project to develop short courses to help business and industrial supervisors in developing practical, up-to-date managerial skills, this instructional workbook provides information and exercises applicable to on-the-job situations. Unit I covers the following aspects of management: leadership techniques, problem solving, decision making, planning, and time management. The topics covered in Unit II relate to personnel considerations of hiring, job standards and training, employee benefits, and labor laws. Unit III deals with internal and external lines of communication, focusing on delegation of responsibility, public relations, and the role of the new manager. After Unit IV discusses motivation, change strategies, personnel and conflict management, and stress management, Unit V focuses on the management skills related to budgeting, using accounting data, computer awareness, economics, and advertising. Each unit provides: (1) an overall statement of unit objectives; (2) specific learning objectives for each topic; (3) suggested instructor and participant activities; (4) a list of instructional materials included; (5) a list of references; (6) information sheets which define terms, present topics, and recommend activities and strategies for application in class and on the job; (7) transparency masters; (8) assignment sheets; and (9) a review test. (AYC)

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Project TEAMS

Techniques and Education for Achieving Management Skills

Business and Industrial Supervisors

Unit I - Leadership Ain't Easy
Unit II - Help in Hiring
Unit III - Lines of Communication
Unit IV - Psyched Up Over Management
Unit V - Your Enterprise is Free

ED210050

March, 1980

Funding for Project TEAMS was provided by Title IA of the Higher Education Act of 1965, and administered by the Nebraska Coordinating Commission for Postsecondary Education

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Platte Technical Community College

Member of District Technical Community College Area

Project TEAMS

Professional growth is part of the challenge -- and the satisfaction -- of being a manager or supervisor. Practical experience and traditional education both can plan important roles in developing management skills. Project TEAMS (Techniques and Education for Achieving Management Skills) combines the best elements of both by relating theory directly to practice.

Platte Technical College developed Project TEAMS to meet a growing need for continuing education by managers and supervisors. Because the project's goal is to develop practical, up-to-date management skills in a relatively short time, we asked managers and supervisors to identify the topics which should be covered.

Advisory committees were formed representing each of four management sectors: business and industry, health care administration, private business (owner-managers), and public administration (city, county, education, non-profit organizations). Committee members represented the following Nebraska communities: Albion, Clarkson, Columbus, David City, Fullerton, Grand Island, Humphrey, Lindsay, Monroe, Norfolk, Osceola, Rising City, and Schuyler. Each committee identified and ranked, according to priority, the 25 managerial tasks most important in their profession. A separate course was developed for each of the four sectors after analysis of the identified tasks. Each course entails about 20 classroom hours of instruction. A fifth course, entailing 12 hours of instruction, was developed covering topics identified as important to all four areas of management.

These courses can be offered to either groups or individuals on-campus or in off-campus sites. Students can concentrate on those skills most important to them, and assignments generally can be applied to on-the-job situations.

Project Funding

Funding for Project TEAMS was provided by Title IA of the Higher Education Act of 1965 as ammended and administered by the Nebraska Coordinating Commission for Postsecondary Education. An institutional contribution was provided by the Central Technical Community College Area.

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Project TEAMS Courses

Business and Industrial Supervisors Course

Health Care Administrators Course

Independent Business Owner-Managers Course

Public Administrators Course

General Course: Achievement Management Skills

BUSINESS AND INDUSTRIAL SUPERVISORS
LEADERSHIP AIN'T EASY
UNIT I

UNIT OBJECTIVES

This unit will give the manager in business or industry an opportunity to increase management skills in regard to leadership techniques, problem solving and decision making, and time management. In studying the four topics, specific techniques for each will be presented as well as opportunities to participate in actual practice activities.

SPECIFIC OBJECTIVES

Upon completion of this unit, the participant should be able to:

1. Match definitions with the following terms: leadership, problem solving, decision making, and time management.
2. Discuss the three factors contributing to the effectiveness of a leader.
3. List at least five traits often possessed by leaders.
4. Describe three classifications of leadership styles.
5. Demonstrate the use of the problem-solving and decision-making processes in handling a given problem situation.
6. Discuss the patterns of planning typically used by managers.
7. Discuss the characteristics of good planning.
8. List the pitfalls to be avoided when planning.
9. List the benefits of planning.
10. Discuss the means of dealing with time wasters.
11. Discuss several organizational techniques for using time more effectively.
12. Discuss the planning techniques for using time more effectively.

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UNIT I

SUGGESTED ACTIVITIES

I. Instructor:

A. Provide participants with objective sheet.
B. Provide participants with information and assignment sheets.
C. Discuss objectives.
D. Discuss information and assignment sheets.
E. Discuss review sheets.

II. Participants:

A. Read objectives.
B. Study information sheets.
C. Complete assignment sheets.
D. Check that objectives can be achieved.
E. Complete and check review sheets.

INSTRUCTIONAL MATERIALS

I. Included in this unit:
A. Objectives
B. Information sheets
C. Transparency masters:

1. Continuum of leadership styles
2. Managerial grid
3. Theory X and Theory Y
4. Illustration of problem solving and decision making
5. The star of good planning
6. Daily time log

D. Assignment sheets:

1. Leadership effectiveness factors
2. Theory X and Theory Y
3. Problem solving and decision making practice
4. Daily time log practice
5. Time management case study

E. Review sheets

II. References

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REFERENCE CODE:

A--leadership techniques
B--problem-solving and decision-making
C--planning
D--time management

BUSINESS AND INDUSTRIAL SUPERVISORS
LEADERSHIP AIN'T EASY
UNIT I

INFORMATION SHEET

I. Terms and definitions:

A. Decision making--The selection of one course of action from two or more alternate courses of action.
B. Leadership--The process by which one person, the leader, influences others to work together toward attainment of a desired goal.
C. Problem solving--A process undertaken by an individual in order to resolve tensions created by a situation that thwarts the course of activity.
D. Time management--The effective utilization of the resource called "time" so that managerial productivity is enhanced.

II. Factors contributing to the effectiveness of a leader:

A. The power associated with the position of leadership. The leader's power may be based on such features as coercion, rewards, special skills, or popularity. High power leaders have an initial advantage in gaining group cooperation.
B. The structure of the task to be accomplished. Structure is based on ease in definition and communication of the goal and ease of measurement of successful accomplishment of the task. For example, product assembly would be regarded as a highly structured task since the goal (a properly assembled product) can be easily communicated to the group and the result can be readily evaluated for satisfactory performance. Development of a code of business ethics would be much harder both to define and to verify and would have low structure.
C. The personal relationship existing between leader and group members.

III. Personal traits often possessed by leaders, but <u>not</u> guarantees of successful leadership:

A. Intelligence.
B. Initiative.
C. Energy or drive.
D. Emotional maturity (dependability, persistency, objectivity).
E. Persuasive ability.
F. Communication skills.
G. Self-assurance.
H. Perception.
I. Creativity.
J. Social participation (approachability, friendliness, helpfulness).

IV. Classifications of leadership styles include:

A. The leadership continuum where leader and followers' responsibilities complement each other. Leaders on this continuum may be described as: (transparency #1)

1. Autocratic--leader commands, disciplines, has work-centered emphasis. Works best with employee who is insecure, dependent, likes direction; or aggressive, hostile employee who must be firmly controlled for productive accomplishment.
2. Democratic--function of leader is to develop a motivation system; leader discusses, consults, draws ideas from group; has strong teamwork, participation. Works well with aggressive, cooperative employee who is assertive, self-confident.
3. Free-rein--leader acts as facilitator and exercises minimum control, depends upon employees' sense of responsibility and good judgment. Most difficult to use, but works well for employee who is highly individualistic.

B. The managerial grid where the leader's proportionate concerns for job requirements and concerns for people are compared: (transparency #2)

1. Task management (9,1)--the leader is an autocrat with maximum concern for production and no concern for people; this job concept is meeting schedules, getting the product out, telling people what to do.
2. Country club (1,9)--the leader is characterized by a high concern for people; s/he wants a happy and harmonious work force, even though the organization's needs and objectives may not be met.
3. Impoverished (1,1)--this leader does not act at all like a manager; s/he has a minimum concern for both people and production; the only concern is not to "rock the boat" and accomplishment of just enough to avoid pressure from superiors.
4. Middle of the road (5,5)--this leader has a moderate concern for both people and production; s/he may push for both, but really strives for compromise and the result is often neither the best for people nor production.
5. Team management (9,9)--a maximum concern for production and for people; the ideal leadership style, because it accomplishes objectives while permitting people the freedom to reach their personal objectives, but not possible for all leaders in all situations.

C. McGregor's Theory X and Theory Y which suggests that supervisory style is based on the leader's attitudes toward employees: (transparency #3)

1. Theory X--supervisor believes that most people are lazy and will avoid work if possible; therefore, people cannot be trusted to work on their own initiative, need close supervision.
2. Theory Y--supervisor believes people like work and will demonstrate drive, initiative, and diligence in achieving organizational goals, especially if those goals are compatible with their personal goals.

V. Leaders solve problems and make decisions using a process of: (transparency #4)

A. Identifying the tension:

1. Think about the concerns you have, the situation that needs change. For example:

I have a mid-management position at a local industry and work approximately 48 hours per week, plus approximately two evening meetings per week and two out-of-town trips of 2-3 days length per month. I have just been notified that I have won a mobile van-type vehicle for making and vending ice cream. I will have to forfeit the prize if I don't take possession within four weeks and sign an agreement to operate the vehicle at least 35 hours per week. What should I do?

2. List the facts about that situation. Be specific about the who, why, what, how, when, and where involved. Be sure these are <u>facts</u>, not opinions. For example:

who--I have won a vehicle for making ice cream.
I already have a job.
what--My job requires considerable time.
I could supplement my income with this vehicle.
when--The vehicle must be claimed within four weeks.
I must agree to operate it at least 35 hours per week.

B. Finding the problem:

1. State the problem in a single, clear, concise statement which begins with the words, "In what ways might I. . .". For example:

In what ways might I keep my job and also have time to operate the ice cream vehicle?

2. Restate the problem two or three times until you are satisfied that the problem statement is one that accurately identifies the problem. For example:

In what ways might I get the most benefit from the vehicle? In what ways might I make the vehicle a financial asset?

C. Finding ideas:

1. List as many ideas as you can think of that might solve the problem. For example:

lease the vehicle to someone else
cut down work hours and run van on nights and weekends
have wife and children run vehicle

2. Stretch your imagination; try to break your habitual thought patterns. Remember that in the idea finding stage you want to produce as many ideas as you can, without judging as to their practicality. For example:

   sell the ice cream at the plant during lunch hours and breaks
   take call-in orders at home and office
   lease to high school as Junior Achievement project
   run van full-time and investigate ice cream management opportunities

D. Finding solutions:

1. Look all your ideas over, weighing each as to how well it might solve your problem.
2. To evaluate each solution, use criteria such as:

   a. Cost.
   b. Time involved.
   c. Effect on quality.
   d. Effect on utilization of manpower.
   e. Effect on safety.
   f. Effect on materials use.
   g. Other considerations specific to the situation.

   For example:

   cost--leasing van will result in less profit
   running van full-time will mean loss of salary at plant
   operating van self or with family will make most profit
   time--can operate van more than 35 hours per week if lease
   selling at plant during lunch and breaks will not make the 35 hours required; also will distract from my own work time
   quality--the quality of my work at the plant will probably suffer if I try to cut down on work hours or sell at the plant or take call-in orders at the office
   manpower--my wife already has a job also and my children are too young to run the van on their own
   leasing to Junior Achievement would mean a large number of different operators of the vehicle

3. Choose the idea you will use, based on the criteria evaluation.

   I will lease the van to someone else.

E. Implementing the chosen solution:

1. Devise a plan of action and put it into an outline. For example:

   First, I will take possession of vehicle and sign the 35-hour-per-week agreement. Then, I will advertise for someone to operate the vehicle on a leasing basis. Next, I will have a lawyer draw up the leasing agreement.

2. Ask yourself who might be involved or help you; what they will do; when and where this will be done; how it will be done; and what the results will be. Form your plan of implementation around the answers to those questions. For example:

who--the person I lease to will have to be a high school graduate, have references of good character, and not have another job
what--s/he will need skills in selling, in operation of the equipment, and in keeping a neat work station; s/he will need to be willing to go to the ice cream company office for the 2-week training session in making the ice cream
when--s/he must work during prime selling hours: in summer, 2:00 p.m.-10:00 p.m.; in winter, during school lunch hour and 3:00 p.m.-10:00 p.m.; weekend work will also be required
where--summer hours will concentrate around swimming pool area, parks, shopping areas; winter hours, at high school during lunch hour, after school, at school events in evenings
how--price will be set by leasor and leasor will also handle all costs (see lease agreement)
results--leasee will receive percentage of profits (see lease agreement)

VI. Patterns of planning typically used by managers:

A. Satisficing--emphasizes status quo; obvious deficiencies are corrected, but customary way of doing things is preserved; survival is of major importance, growth and development are secondary or ignored.
B. Optimizing--stresses doing the best, getting the maximum results; may be impossible or impractical, e.g., a goal of selling a new vacuum cleaner to every family in the city is unlikely to be met.

VII. Characteristics of good planning:

A. Hard document--in written form, not only in planner's memory where daily problems can supersede plans.
B. Regular intervals--done on a regular basis rather than as sporadic responses to emergency situations.
C. Future improvement--emphasis is on looking ahead, not on trying to compensate for past mistakes in planning.
D. Rational--based on facts rather than emotions.
E. Systematic--well organized as to the who, what, where, when, why, and how involved. (transparency master #5)

VIII. Pitfalls to be avoided when planning:

A. Failure to anticipate change.
B. Unwillingness to take calculated risks.
C. Failure to establish priorities.
D. Failure to make plans known to those involved.
E. Failure to establish measurements at the time the plan is prepared.

IX. Benefits of planning:

A. Better coordination among departments.
B. More effective control of operations; planned objectives are the basis for measurement of effectiveness.
C. Easier delegation; plan identifies who can do what and standards for successful task accomplishment.
D. More economical use of resources; avoid waste of:

1. Time--because of unavoidable delays.
2. Materials--because of haste, spoilage, or unnecessary inventories.
3. Machines--because they are not being operated to their best capacity.
4. Space--because of overcrowding and poor coordination of incoming supplies and outgoing production.
5. Manpower--because employees are not optimally occupied.

X. Managers need to deal with time wasters:

A. Identify your time wasters. Management studies have found these 15 most common time wasters:

1. Telephone interruptions.
2. Drop-in visitors.
3. Meetings.
4. Crisis management.
5. Lack objectives, priorities, daily plan.
6. Cluttered desk/personal disorganization.
7. Ineffective delegation.
8. Attempting too much at once.
9. Lack of/unclear communication.
10. Inadequate, inaccurate, delayed information.
11. Indecision and procrastination.
12. Confused responsibility and authority.
13. Inability to say "no".
14. Leaving tasks unfinished.
15. Lack of self-discipline.

B. Analyze your time wasters:

1. Which are caused primarily by you?
2. Which are caused primarily by other people?
3. Of those caused by others, which could you control or eliminate?
4. Remember, the basis for time management is self-discipline.

XI. Organizational techniques for using time more effectively:

A. Block interruptions.

1. Close the open door. Set aside some time every day to work without interruption. If necessary, have your secretary screen visitors and set up appointments at a more convenient hour, or come to the office an hour or two early.
2. Control telephone calls. Your secretary should handle them whenever possible. Group your outgoing calls and make them at one time during the day. Keep calls concise.

3. Organize paperwork. Decide what actually needs to be read and what can be ignored. Keep only current paperwork on your desk to avoid distraction from other materials.
4. Control meetings. Be sure they are necessary in the first place. Then start the meeting on time, follow a time-limited agenda, summarize important points of the meeting before adjourning, and end on time.

B. Use a time log. (transparency master #6)

1. List daily goals and set deadlines for reaching those goals. Write goals in terms of results; e.g., "persuade L.A. to try word-processing for 6 months" instead of "meet with L.A." Remember, goals must be:
    1. Measurable --You will know when you have achieved it.
    2. Achievable--You can do it.
    3. Demanding--You will feel a sense of accomplishment when you have done it.
    4. Flexible--You can change it if necessary.
2. Record activities in detail, at 15-minute intervals throughout the day. Do this immediately after the activity, not at the end of the day, since the purpose is to identify interruptions; e.g., 10:00 - telephone call to J.R. re sales meeting; 10:15 - began working on quarterly report; 10:30 - B.R. stopped by and invited me to go on coffee break
3. Assign a priority ranking to each action.
4. Comment on each action. How was the item handled? How might it be handled more effectively next time?
5. Analyze your use of time:
    a. To what extent did you achieve each objective? If you did not achieve it, what was the reason?
    b. Which part of your day was most productive? How can you plan to take even greater advantage of that time?
    c. Which were your most frequent or most serious interruptors? How can these be changed?
6. Set goals for the next day, based on analysis of this day's productivity and interruptions.

XII. Planning techniques for using time more effectively:

A. Set priorities.

1. Know and use the Pareto principle: 20% of the things you do ("the vital few") result in 80% of your total significant output; the other 80% of the items on your list are "the trivial many" and will result in only 20% of your total output. Put your best efforts into the "vital few"; don't spend undue time and energy on the "trivial many."
2. Arrange priorities on the basis of answers to questions such as:
    a. What will contribute the most to management objectives and departmental goals?
    b. What will be best for employee morale and productivity?

B. Use priorities.

1. Make a realistic estimate of how much time each job will take and follow through systematically to make sure tasks are accomplished.
2. Be flexible. Priorities may change suddenly due to new problems arising or solution of one problem leading to expansion or deletion of another one.
3. Be decisive. Don't avoid a priority because of fear. If something has been on your list for a long time, either do it or forget it.
4. Delegate. The proper use of staff is one of the best ways a manager can save time.

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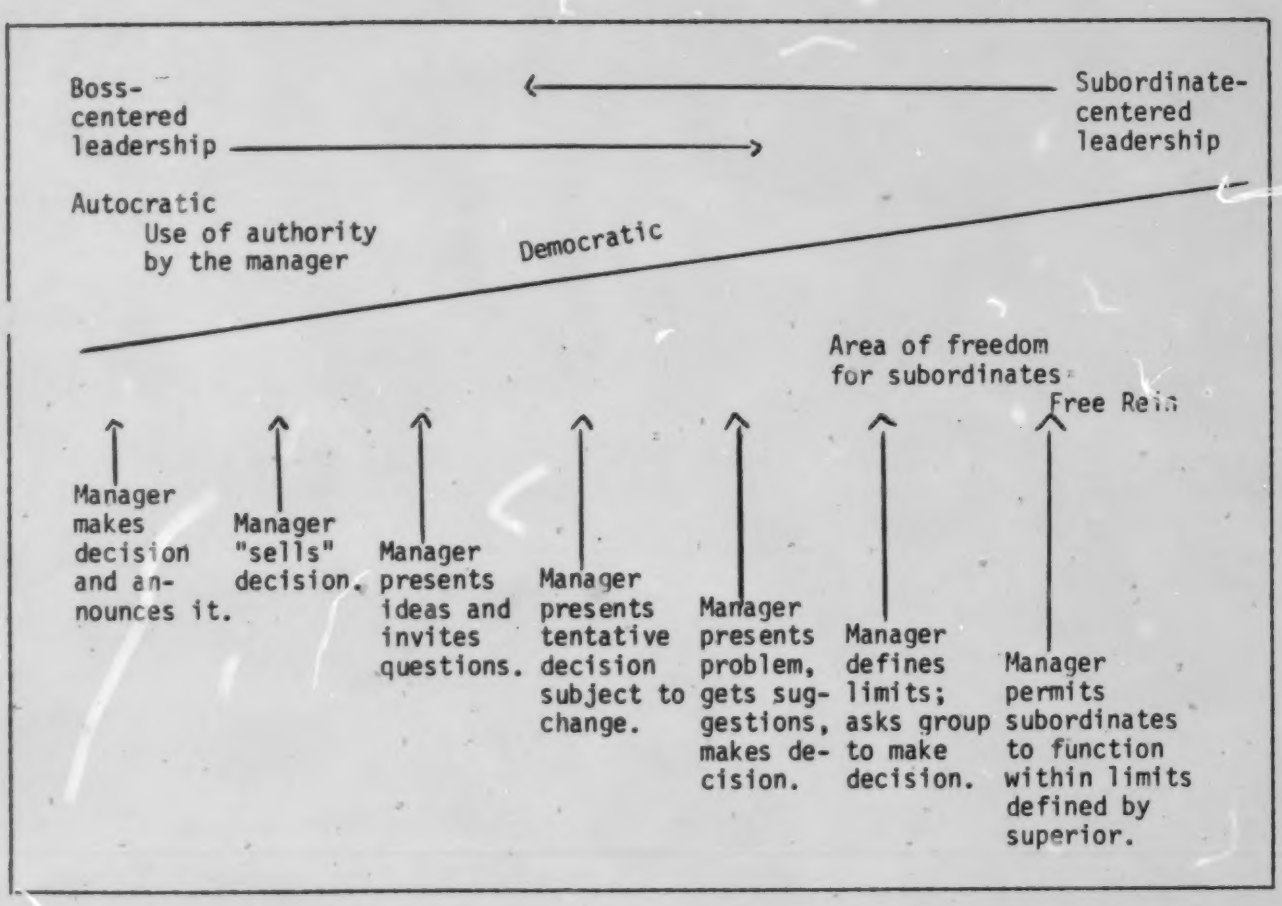
TRANSPARENCY MASTER #1


Boss-centered leadership
Subordinate-centered leadership
Autocratic
Use of authority by the manager
Democratic
Area of freedom for subordinates
Free Rein
Manager makes decision and announces it.
Manager "sells" decision.
Manager presents ideas and invites questions.
Manager presents tentative decision subject to change.
Manager presents problem, gets suggestions, makes decision.
Manager defines limits; asks group to make decision.
Manager permits subordinates to function within limits defined by superior.

adapted from Robert Tannenbaum and Warren H. Schmidt, "How to Choose a Leadership Pattern," Harvard Business Review, Vol. XXXIV (March-April, 1958), p. 96.

in Henry L. Sisk, Management and Organization. 2nd ed. (Cincinnati: South-Western, 1973), p. 500.

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UNIT I

TRANSPARENCY MASTER #2

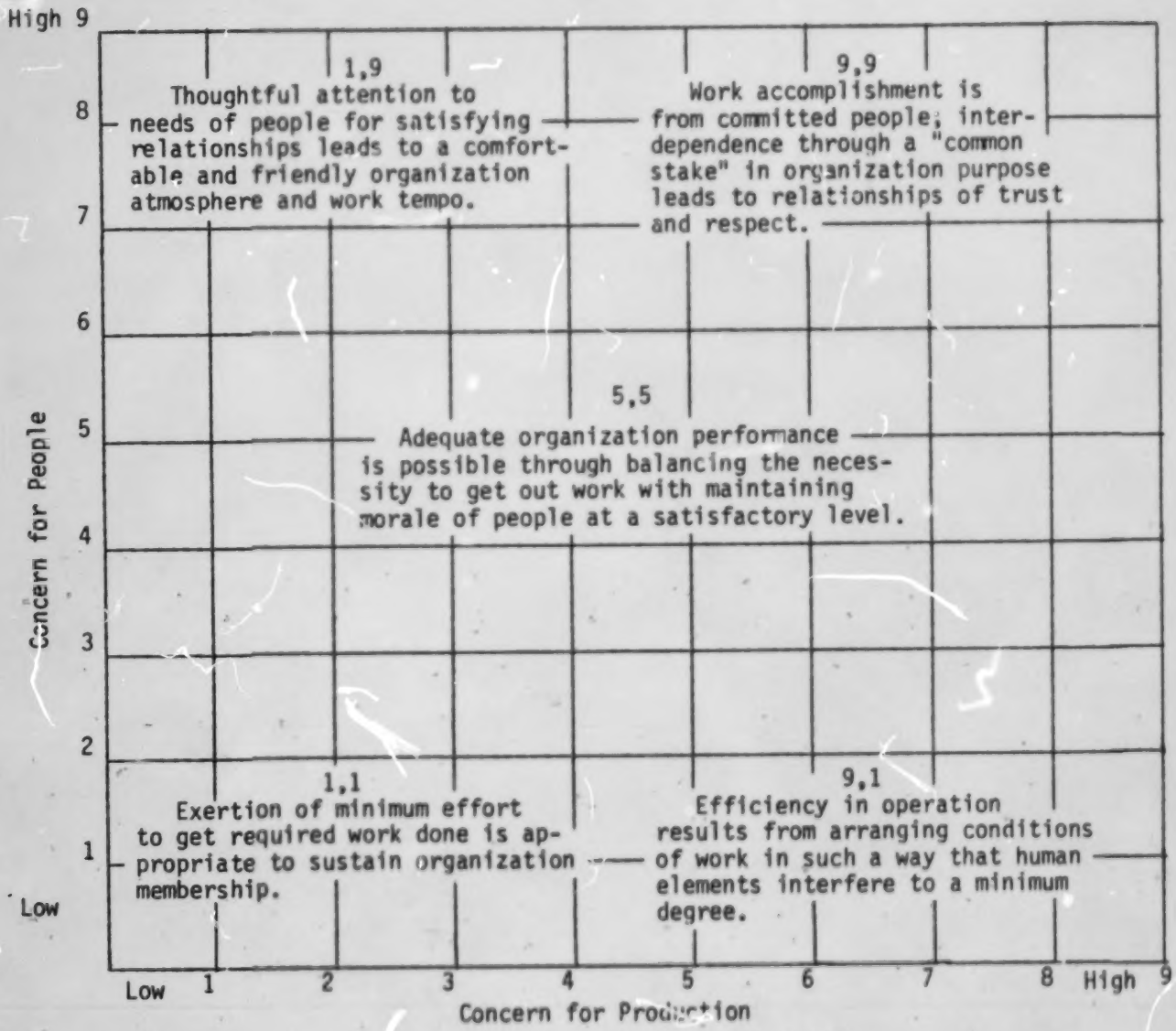
High 9
8
7
6
5
4
3
2
1
Low
Concern for People
1,9
Thoughtful attention to needs of people for satisfying relationships leads to a comfortable and friendly organization atmosphere and work tempo.
9,9
Work accomplishment is from committed people; interdependence through a "common stake" in organization purpose leads to relationships of trust and respect.
5,5
Adequate organization performance is possible through balancing the necessity to get out work with maintaining morale of people at a satisfactory level.
1,1
Exertion of minimum effort to get required work done is appropriate to sustain organization membership.
9,1
Efficiency in operation results from arranging conditions of work in such a way that human elements interfere to a minimum degree.
Low 1 2 3 4 5 6 7 8 High 9
Concern for Production

FIGURE 8-1. The Managerial Grid*

*The Managerial Grid figure from The Managerial Grid, by Robert R. Blake and Jane Srygley Mouton. Houston: Gulf Publishing Company, Copyright 1964, p. 10. Reproduced with permission.
in Paul Preston, Management for Supervisors. Englewood Cliffs: Prentice-Hall, 1978.

BUSINESS AND INDUSTRIAL SUPERVISORS
LEADERSHIP AIN'T EASY
UNIT I

TRANSPARENCY MASTER #3

Theory X: The Traditional View of Direction and Control

Assumptions:

1. The average human being has an inherent dislike of work and will avoid it if he can.
2. Because of this human characteristic of dislike of work, most people must be coerced, controlled, directed, threatened with punishment to get them to put forth adequate effort toward the achievement of organizational objectives.
3. The average human being prefers to be directed, wishes to avoid responsibility, has relatively little ambition, wants security above all.

Theory Y: A New Theory of Direction and Control

Assumptions:

1. The expenditure of physical and mental effort in work is as natural as play or rest.
2. External control and the threat of punishment are not the only means for bringing about effort toward organizational objectives. Man will exercise self-direction and self-control in the service of objectives to which he is committed.
3. Commitment to objectives is a function of the rewards associated with their achievement.
4. The average human being learns, under proper conditions, not only to accept, but to seek responsibility.
5. The capacity to exercise a relatively high degree of imagination, ingenuity, and creativity in the solution of organizational problems is widely, not narrowly, distributed in the population.
6. Under the conditions of modern industrial life, the intellectual potentialities of the average human being are only partially utilized.

*Douglas McGregor, The Human Side of Enterprise (New York: McGraw-Hill, 1960) pp. 33-34 and 47-48.

BUSINESS AND INDUSTRIAL SUPERVISORS
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UNIT I

TRANSPARENCY MASTER #4

The Problem-Solving Process:

A. Identify the tension

B. Find the problem

C. Find ideas

The Decision-Making Process:

A. Find solutions

B. Implement the solution

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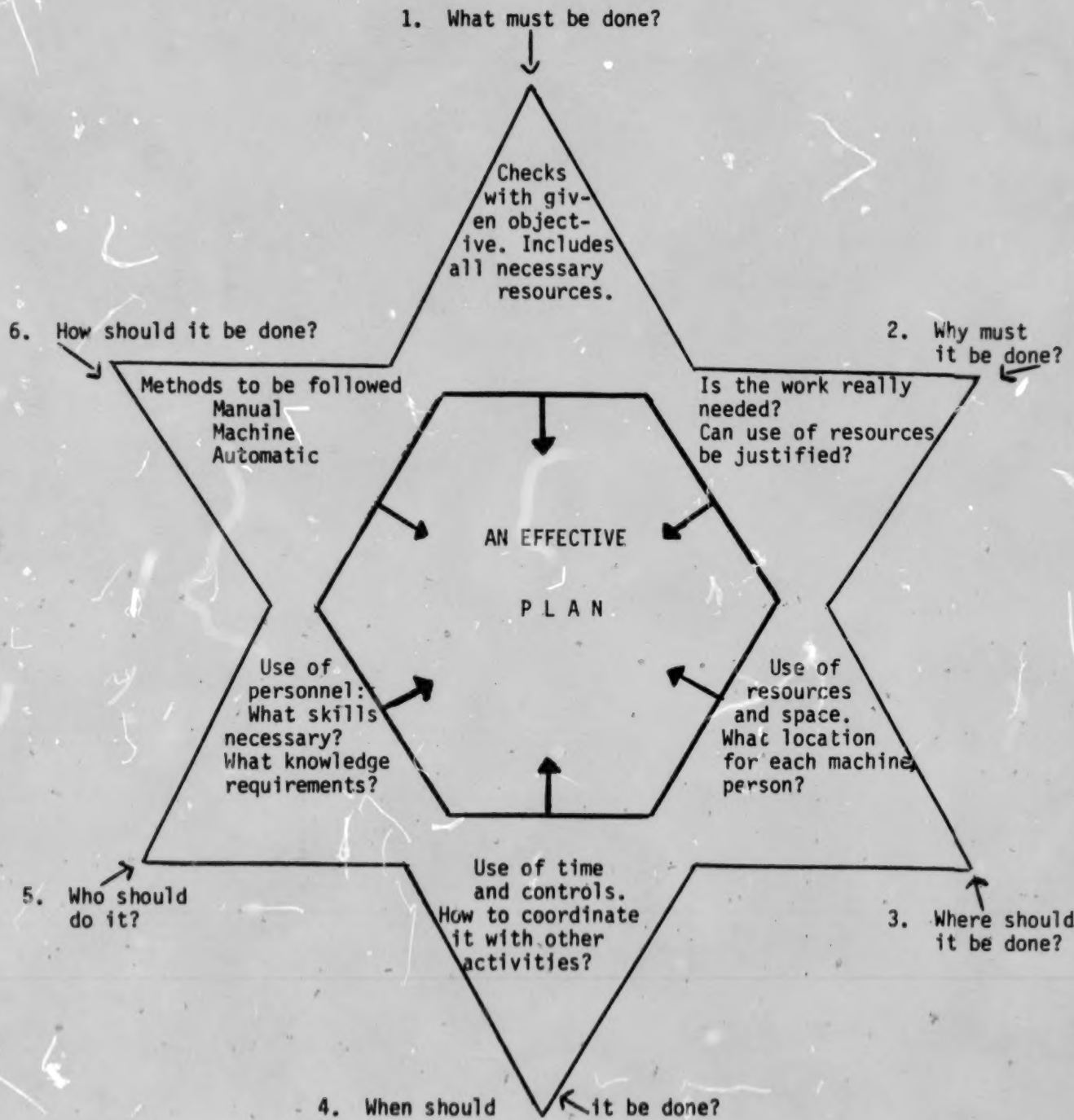
UNIT I

TRANSPARENCY MASTER #5


1. What must be done?
Checks with given objective. Includes all necessary resources.
2. Why must it be done?
Is the work really needed?
Can use of resources be justified?
3. Where should it be done?
Use of resources and space. What location for each machine, person?
4. When should it be done?
Use of time and controls. How to coordinate it with other activities?
5. Who should do it?
Use of personnel: What skills necessary? What knowledge requirements?
6. How should it be done?
Methods to be followed
Manual
Machine
Automatic
AN EFFECTIVE
PLAN

Source: George R. Terry, Supervision. Rev. ed. Homewood: Richard D. Irwin, Inc., 1978, p. 151.

BUSINESS AND INDUSTRIAL SUPERVISORS
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UNIT I

TRANSPARENCY MASTER #6

DAILY TIME LOG

Date: April 10

Name: J. Johnson

Goals: (1) finish quarterly report
(2) hire secretary
(3) prepare agenda for staff meeting

TIME	ACTION	PRIORITY High Medium Low	COMMENTS Delegate to _____ Combine with _____ Next time say "No." Eliminate Other
8:00	read mail ↓	med.	
8:30	answer two letters — P.T. and P.L.	med.	could have waited
9:00	interview sec. ↓	high	necessary
9:30	begin agenda	high	need uninterrupted time
	phone call from P.L.	med.	
10:00	continue agenda	high	
	coffee w/ R.L.	low	interruption — eliminate
10:30	interview sec. ↓	high	necessary
11:00	finish agenda	high	could have been done faster w/out interruptions
etc.			

BUSINESS AND INDUSTRIAL SUPERVISORS
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UNIT I

ASSIGNMENT SHEET #1

Select a group with which you are now working or with which you have worked in the recent past. Analyze that group for leadership effectiveness using the three factors listed on the information sheet: power, structure, and relationships. To help in your analysis, a group atmosphere scale is below and a position power instrument is on the next page. Judge task structure on your own in the blank space immediately below these instructions, using the criteria found on the information page.

TASK STRUCTURE

goal definition:

accomplishment measurement:

number and specificity of solutions:

task is a high . . . . . .low structure

GROUP ATMOSPHERE

Describe the atmosphere of your group by checking the following items:

		8	7	6	5	4	3	2	1	
1.	Friendly	___	___	___	___	___	___	___	___	Unfriendly
2.	Accepting	___	___	___	___	___	___	___	___	Rejecting
3.	Satisfying	___	___	___	___	___	___	___	___	Frustrating
4.	Enthusiastic	___	___	___	___	___	___	___	___	Unenthusiastic
5.	Productive	___	___	___	___	___	___	___	___	Nonproductive
6.	Warm	___	___	___	___	___	___	___	___	Cold
7.	Cooperative	___	___	___	___	___	___	___	___	Uncooperative
8.	Supportive	___	___	___	___	___	___	___	___	Hostile
9.	Interesting	___	___	___	___	___	___	___	___	Boring
10.	Successful	___	___	___	___	___	___	___	___	Unsuccessful

Source: Fred E. Fiedler, A Theory of Leadership Effectiveness, (New York: McGraw-Hill Book Company, 1967), p. 269.

in Henry L. Sisk, Management and Organization. 2nd ed. (Cincinnati: South-Western, 1973), p. 507.

POSITION POWER

Mark each item below "true" or "false" as it describes the group you are evaluating.

1. Compliments from the leader are appreciated more than compliments from other group members.
2. Compliments are highly valued, criticisms are considered damaging.
3. Leader can recommend punishments and rewards.
4. Leader can punish or reward members of his own accord.
5. Leader can effect (or can recommend) promotion or demotion.
6. Leader chairs or coordinates group but may or may not have other advantages, i.e., is appointed or acknowledged chairman or leader.
7. Leader's opinion is accorded considerable respect and attention.
8. Leader's special knowledge or information (and members' lack of it) permits leader to decide how task is to be done or how group is to proceed.
9. Leader cues member or instructs them on what to do.
10. Leader tells or directs members what to do or what to say.
11. Leader is expected to motivate group.
12. Leader is expected to suggest and evaluate the members' work.
13. Leader has superior or special knowledge about the job, or has special instruction but requires members to do job.
14. Leader can supervise each member's job and evaluate it or correct it.
15. Leader knows his own as well as members' job and could finish the work himself if necessary, e.g., writing a report for which all information is available.
16. Leader enjoys special or official rank and status in real life which sets him apart from or above group members, e.g., military rank or elected office in a company or organization. (+5 points)
17. Leader is given special or official rank by experimenter to simulate for role-playing purposes, e.g., "You are a general" or "the manager." This simulated rank must be clearly superior to members' rank and must not be just that of "chairman" or "group leader" of the group during its work period. (+3 points)
18. Leader's position is dependent on members; members can replace or depose leader. (-5 points)

Note: The dimension of leader position power is defined by the above checklist in which all "true" items are given 1 point, except for items 16, 17, and 18, which are weighted +5, +3, and -5 points respectively.

Source: Fred E. Fiedler, A Theory of Leadership Effectiveness, (New York: McGraw-Hill Book Company, 1967), p. 24.

in Henry L. Sisk, Management and Organization. 2nd ed. (Cincinnati: South-Western, 1973), p. 508.

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ASSIGNMENT SHEET #2

"ASSUMPTIONS ABOUT PEOPLE: PERSONAL ANALYSIS OF LEADERSHIP STYLES"*

Directions: This instrument is designed to help you better understand the assumptions you make about people and human nature. There are ten pairs of statements. Assign a weight from 0-10 to each statement to show the relative strength of your belief in the statements in each pair. The points assigned for each pair must in each case total ten. Be as honest with yourself as you can and resist the natural tendency to respond as you would "like to think things are." This instrument is not a "test." There are no right or wrong answers. It is designed to be a stimulus for personal reflection and discussion.

1. It's only human nature for people to do as little work as they can get away with. _____(a)

   When people avoid work, it's usually because their work has been deprived of its meaning. _____(b)
   10

2. If employees have access to any information they want, they tend to have better attitudes and behave more responsibly. _____(c)

   If employees have access to more information than they need to do their immediate tasks, they will usually misuse it. _____(d)
   10

3. One problem in asking for the ideas of employees is that their perspective is too limited for their suggestions to be of much practical value. _____(e)

   Asking employees for their ideas broadens their perspective and results in the development of useful suggestions. _____(f)
   10

4. If people don't use much imagination and ingenuity on the job, it's probably because relatively few people have much of either. _____(g)

   Most people are imaginative and creative but may not show it because of limitations imposed by supervision and the job. _____(h)
   10

---

*Adapted from M. Scott Myers. Every Employee a Manager. (New York: McGraw-Hill Book Company, 1970).

David A. Kolb, Irwin M. Rubin, and James M. McIntyre. Organizational Psychology: An Experimental Approach. 2nd ed., (C) 1974. Reprinted by permission of Prentice-Hall, Inc., Englewood Cliffs, New Jersey, pgs. 241-246.

in Mainsprings of Motivation. Control Data Education Co., Minneapolis, 1975.

5. People tend to raise their standards if they are accountable for their own behavior and for correcting their own mistakes. _____(i)

   People tend to lower their standards if they are not punished for their misbehavior and mistakes. _____(j)
   10

6. It's better to give people both good and bad news because most employees want the whole story, no matter how painful. _____(k)

   It's better to withhold unfavorable news about business because most employees really want to hear only the good news. _____(l)
   10

7. Because a supervisor is entitled to more respect than those below him in the organization, it weakens his prestige to admit that a subordinate was right and he was wrong. _____(m)

   Because people at all levels are entitled to equal respect, a supervisor's prestige is increased when he supports this principle by admitting that a subordinate was right and he was wrong. _____(n)
   10

8. If you give people enough money, they are less likely to be concerned with such intangibles as responsibility and recognition. _____(o)

   If you give people interesting and challenging work, they are less likely to complain about such things as pay and supplemental benefits. _____(p)
   10

9. If people are allowed to set their own goals and standards of performance, they tend to set them higher than the boss would. _____(q)

   If people are allowed to set their own goals and standards of performance, they tend to set them lower that the boss would. _____(r)
   10

10. The more knowledge and freedom a person has regarding his job, the more controls are needed to keep him in line. _____(s)

    The more knowledge and freedom a person has regarding his job, the fewer controls are needed to insure satisfactory job performance. _____(t)
    10

Theory X Score = Sum of (a), (d), (e), (g), (j), (l), (m), (o), (r), and (s).

Theory Y Score = Sum of (b), (c), (f), (h), (i), (k), (n), (p), (q), and (t).

X _____

Y _____

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UNIT I

ASSIGNMENT SHEET #3

PROBLEM SOLVING AND DECISION MAKING

Below are descriptions of two actual problem situations. Using the attached sheets with an outline of the problem-solving and decision-making processes, practice solving any <u>one</u> of these problems.

<u>Problem #1</u>

A company that manufactures chemicals has a problem in shipping. The problem has come up because of high employee turnover and failure to meet shipping schedules in the department. Before shipping, each barrel of chemicals has to be weighed. It is the task of several employees on each shift to lift each barrel of chemicals onto a scale, weigh it, and then remove it. Thus, employees stay away from that assignment whenever they can, and those who cannot, complain of being overworked, backaches, etc. This has caused a pile-up in the department and delays in the shipping schedule.

<u>Problem #2</u>

A supervisor makes the following observations in his department: The majority of the employees are lax in completing routine and assigned tasks. Generally, there is very little evidence of a "sense of urgency." There has been an increase in the number of individuals in groups who are visiting back and forth. A substantial number of employees return slowly, or late from coffee breaks. Also, the amount of "toilet time" is increasing. Buckpassing is the most apparent. Comments like the following are common: "If it weren't for those employees on the other shift, the job would be done;" and "Department so and so is the cause of this screwup."

I. The process of problem solving:

A. The tension:

1. The concern or situation that needs change:

2. The facts about that situation:

Who

Why

What

How

When

Where

B. Problem finding:

1. State the problem. In what ways might I

2. Restate the problem:

C. Idea finding:

1. List ideas:

a.

b.

c.

d.

2. Stretch your imagination. List more ideas:

a.

b.

c.

II. The process of decision making

A. Solution finding:

1. Look ideas over

2. Evaluate each, using criteria:

a. Cost

b. Time involved

c. Effect on quality

d. Effect on utilization of manpower

e. Effect on safety

f. Effect on materials use

g. Other considerations

3. Choose the idea you will use:

B. Implement your decision:

1. Make a plan of action:

a. First, I will

b. Then, I will

c. Next,

d. Next,

2. Fill in details:

a. Who will be involved:

b. What will they do

c. What will they need for the job:

d. When will it be done:

e. Where will it be done:

f. How will it be done:

g. What will the results be:
(how will others benefit)

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UNIT I

ASSIGNMENT SHEET #4

TIME MANAGEMENT

Use the time log sheets attached and keep a log of your own work time in the next 48 hours. At the end of that time analyze your use of time, using the questions on the information sheet.

Date: _____

DAILY TIME LOG

Name: _____

Goals: (1) _____

(2) _____

(3) _____

TIME	ACTION	PRIORITY High Medium Low	COMMENTS Delegate to _____ Next time say "No." Eliminate Other
8:00			
8:30			
9:00			
9:30			
10:00			
10:30			
11:00			

11:30			
12:00			
12:30			
1:00			
1:30			
2:00			
2:30			
3:00			
3:30			
4:00			
4:30			
5:00			

adapted from Mackenzie, R. Alec. New Time Management Methods for You and Your Staff. Chicago: Dartnell Corporation, 1975.

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UNIT I

ASSIGNMENT SHEET #5

THE VETERAN

Lyle Tatum was coming down the hall, and Alice Gannon knew she'd better think fast. If she didn't, she could look forward to an afternoon of "war stories," and little else being done.

Lyle was a good executive, and was presently doing a fine job as staff assistant to the President of Chamboa College. In this position, he was responsible for coordinating with all supervisors in the college, and for maintaining communications between departments. Before coming to the college, he had had an eventful career as a military officer, spending 18 years as an enlisted man, and 19 years as an officer in the army. He retired with the rank of colonel, and joined the college at a salary far lower than the college would otherwise pay for a person with his qualifications and experience.

The problem with Lyle wasn't his ability as an executive. It was his habit of telling war stories whenever anyone would listen. His usual pattern was to come into the office for a meeting (scheduled or unscheduled), discuss the college problem for about ten minutes (being a good executive, problems seldom took long to dispose of), and then quickly jump into his stories. Usually, he would start with, "This reminds me of the time with Patton, crossing the. . ." He would then tell as many stories as he could remember, and Alice and others could do nothing except sit and listen.

Lyle's stories were, of course, first-hand experiences. Lyle was in the infantry, and he served everywhere. Unfortunately, after hearing each of Lyle's stories four or five times, all Alice could do was roll her eyes toward heaven, and pray for deliverance. Other supervisors in the college had similar problems with Lyle.

No one was able to maintain any sort of daily time plan with him around. Something had to be done, and Lyle was coming down the hall again.

1. What can Alice do to manage her time with this known interruption?

2. Since Alice is not alone with the problem of Lyle, is there any action that the other supervisors could take to combat the waste of time?

Terry, George R. Supervision. Homewood: Richard D. Irwin, 1978.

BUSINESS AND INDUSTRIAL SUPERVISORS
LEADERSHIP AIN'T EASY
UNIT I

REVIEW SHEET

Check what you have learned about leadership techniques, problem-solving and decision-making, planning, and time management, by completing the review sheet below. Then check your answers with the information sheet materials. If you get all twelve items right, you're doing a terrific job! Ten right is very good; eight right is fair; and if you got seven or less right, you need some review on the principles.

1. Match the following terms and their definitions:

_____ A. Decision making	1. A process undertaken by an individual in order to resolve tensions created by a situation that thwarts the course of activity.
_____ B. Leadership	2. The effective utilization of the resource called "time" so that managerial productivity is enhanced.
_____ C. Problem solving	3. The process by which one person, the leader, influences others to work together toward attainment of a desired goal.
_____ D. Time management	4. The selection of one course of action from two or more alternate courses of action.

2. Discuss the three factors contributing to the effectiveness of a leader.

a.

b.

c.

3. List at least five traits often possessed by leaders.

a.

b.

c.

d.

e.

4. Describe three classifications of leadership styles.

   a.

   b.

   c.

5. Demonstrate the use of the problem-solving and decision-making processes in handling the problem situation given below.

   "A department supervisor has just had a meeting with Mary Brown, an employee with three years experience and a fine work record. Mary has shared with her supervisor that she intends to resign and accept a position with a company in a nearby city. The company is a competitor. Upon being asked by her supervisor the reasons for her leaving, she states that opportunity for professional growth and advancement exist in the company that will be hiring her. At this company, she perceived herself as being blocked to advancement."

6. Discuss the patterns of planning typically used by managers.

   a.

   b.

7. Discuss the characteristics of good planning.

   a.

   b.

   c.

d.

e.

8. List the pitfalls to be avoided when planning.

a.

b.

c.

d.

e.

9. List the benefits of planning.

a.

b.

c.

d.

10. Discuss the means of dealing with time wasters.

a.

b.

11. Discuss organizational techniques for using time more effectively.

a.

b.

12. Discuss the planning techniques for using time more effectively.

a.

b.

BUSINESS AND INDUSTRIAL SUPERVISORS
HELP IN HIRING
UNIT II

UNIT OBJECTIVES

This unit will give the manager in business or industry an opportunity to increase management skills in regard to hiring and training employees and writing and using job descriptions and performance appraisals. Knowledge about employee benefits and labor relations can also be increased. In studying the four topics, specific techniques for each will be presented as well as opportunities to participate in actual practice activities.

SPECIFIC OBJECTIVES

Upon completion of this unit, the participant should be able to:

1. Match definitions with the following terms: arbitration, collective bargaining, grievance, job description, performance appraisal.
2. List four questions which must be considered in establishing an effective hiring practice.
3. Discuss the use of the four hiring process tools.
4. List several benefits, some common errors, and some means of facilitating the training of new employees.
5. List at least five components of an effective training program.
6. List the seven components which should be contained in a job description.
7. Discuss at least five guidelines for writing a job description.
8. List five possible uses of job description information.
9. Discuss five purposes of performance appraisal.
10. Explain the six steps to be taken in conducting performance appraisals.
11. List four advantages of having an employee benefit program and the five major categories of benefits.
12. Explain the five steps involved in building an effective benefits program.
13. Discuss four components of dealing with employee grievances.
14. List five labor laws that affect business managers.
15. List at least seven items usually covered in labor agreements.

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SUGGESTED ACTIVITIES

I. Instructor:

A. Provide participants with objective sheet.
B. Provide participants with information and assignment sheets.
C. Discuss unit and specific objectives.
D. Discuss information and assignment sheets.
E. Discuss review sheets.

II. Participants:

A. Read objectives.
B. Study information sheets.
C. Complete assignment sheets.
D. Check that you can achieve each specific learning objective.
E. Complete and check review sheets.

INSTRUCTIONAL MATERIALS

I. Included in this unit:

A. Objectives
B. Information sheets
C. Transparency masters:

1. Summary of a selection procedure
2. Personnel testing
3. Interviewing procedure
4. Training the new worker
5. Job description
6. Steps in performance evaluation
7. Performance standards
8. Fringe benefit costs

D. Assignment sheets:

1. Writing a job description
2. A training case study
3. A grievances case study

E. Review sheets

II. References

A. Benton, Lewis R. Supervision and Management. New York: McGraw-Hill, 1972. (A)

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E. Calhoon, Richard P. Cases in Personnel Management and Supervision. New York: Appleton-Century-Crofts, 1966. (A)

F. Chruden, Herbert J. and Arthur W. Sherman, Jr. Personnel Management. 5th ed. Cincinnati: South-Western Publishing Co., 1976. (A,B,C,D)

G. Flippo, Edwin. Principles of Personnel Management. New York: McGraw-Hill, 1971. (A,B)

H. Jucius, Michael J. Personnel Management. 8th ed. Homewood: Richard D. Irwin, 1975. (A,B,C,D)

I. Pigors, Paul and Charles A. Myers. Personnel Administration. 6th ed. New York: McGraw-Hill, 1969. (A,B,C)

J. Terry George R. Supervision. Homewood: Richard D. Irwin, 1978. (D)

REFERENCE CODE:

A--hiring and training personnel
B--job descriptions and performance appraisals
C--employee benefits
D--labor relations

BUSINESS AND INDUSTRIAL SUPERVISORS
HELP IN HIRING
UNIT II

INFORMATION SHEET

I. Terms and definitions:

A. Arbitration--An agreement by both parties in a dispute to submit the issue to an impartial umpire whose decision both parties agree to accept.
B. Collective bargaining--The process whereby authorized representatives of the employer meet with authorized representatives of the employees to establish wages, hours, and working conditions.
C. Grievance--A complaint, expressed in writing or orally, on a company-related matter.
D. Job description--A word picture, in writing, of the organizational relationships, responsibilities, and specific duties that constitute a given job or position.
E. Performance appraisal--A management control designed to provide a report of how well individuals are performing to standards.

II. Effective hiring practices are based on answers to questions such as:

A. What are the requirements of the jobs to be filled?
B. What kinds of and how much personnel is needed?
C. From what sources may the required personnel be found?
D. What procedures should be used to select candidates for employment?

III. The hiring process may include use of these tools: (transparency)

A. The application blank

1. Should be brief, in order not to discourage employees who are unaccustomed to doing a great deal of writing.
2. Should contain only items that, according to company experience, are correlated with job success; might include:

a. Physical specifications; e.g., "must be able to lift 100 lbs." (may be determined by height, weight, physical problems questions)
b. Mental specifications, e.g., "ability to read electrical circuits" (may be determined by education and/or previous experience questions;
c. Emotional, behavioral, and social specifications; e.g., "must be able to handle customer complaints"

B. Employment tests

1. Considerations for using tests:

a. Cost
b. Time--short tests are generally preferred, to avoid boredom and fatigue
c. Validity--does the test actually measure what it is supposed to measure?
d. Ease of administration and scoring

2. Kinds of tests: (transparency)

   a. Intelligence
   b. Dexterity
   c. Aptitude tests
   d. Personality
   e. Supervisory abilities
   f. Interest

C. Checking references

1. Verify by letter or telephone. Advantages of telephone:

   a. Quicker
   b. More candid

2. Questions to ask:

   a. When did the person start with the company and when did s/he leave?
   b. What were the specific job duties of the person?
   c. What is your rating of the job performance of the person in terms of volume and quality of work?
   d. Did the person have any promotions or demotions during the work period?
   e. What did you find was the most effective way of motivating this person?

D. Interview (transparency)

1. Purpose of the interview: to determine the degree to which the applicant possesses desired qualities and to select the candidate who will best advance the business' objectives.
2. Rules of interviewing:

   1. Use a comfortable, quiet setting where interruptions are unlikely.
   2. Clearly establish the objectives of the interview before beginning.
   3. Respect the interests and individuality of the interviewee. Be sensitive to his/her feelings; do not use trick questions or assume an attitude of superiority.
   4. Make the interviewee feel at ease.
   5. Encourage the interviewee to talk freely.
   6. Listen carefully and try to determine the interviewee's meaning. Don't be "turned off" by certain words.
   7. Avoid expressing personal views and opinions.
   8. Close the interview diplomatically. Give a decision, if possible, or indicate next steps to be taken by candidate.

3. Major areas to be covered in the interview:

   1. Tell me about your work history; how you got the jobs, the kinds of work you did and your reasons for leaving.
   2. What is most important to you in a job? What do you care least about in a job?

3. What experience during your school days stood out as meaning the most to you?
4. What do you believe to be your strong points as a person?
5. What position do you want to hold ten years from now?
6. Why should we hire you?

IV. Training the new employee means:

A. Benefits to the company:

1. Increased productivity. Quantity and quality of output can be increased when new employees are instructed in specific job performance skills.
2. Heightened morale. The new employee will feel more at ease when s/he has general information on company policies, procedures, and rules. Complaints, absenteeism, and turnover will be reduced.
3. Reduced supervision. Greater independence is possible only when the employee is well-trained.
4. Reduced accidents, spoiled work, and damage to equipment.
5. Increased organizational stability and flexibility. The employee's value to the organization grows as s/he develops his/her ability to learn multiple skills.

B. Avoidance of the common training errors:

1. Feeding too much at one time. Heaping details on the trainee will only result in confusion and discouragement.
2. Telling without demonstrating. Being strange to the environment, the trainee will find accurate visualization of the task based on verbal instructions alone very difficult.
3. Lack of patience. Impatience on the part of the trainer produces tension in the learner and tension slows learning.
4. Lack of preparation. Confusion is the result when the trainer has forgotten to have materials available or fails to present the job in logical sequence.
5. Failure to build in feedback. Job training requires effective two-way communication.
6. Failure to reduce tension. Again, tension inhibits learning.

C. Facilitation of learning:

1. Repetition. A variety of methods of presenting the job to an employee will make learning easier.
2. Arousing curiosity. Get the learner's attention through the use of questions and actual problem situations.
3. Careful use of competition. Striving for and attaining goals, such as number of items completed within specified time, stimulate employee morale.
4. Knowing the knacks. Identifying special knacks of the job will contribute to both quality and quantity of output.
5. Enthusiastic instruction. The positive attitudes of the trainer will be contagious.
6. Satisfaction in accomplishment. As the trainee's fears and anxieties are replaced with confidence, his/her interest in the job deepens and his/her effort increases.

V. Components of the good training program (transparency)

A. Get ready to receive the new worker.

1. Review work experience, education, and training.
2. Have an up-to-date description of the job or a list of duties and responsibilities available for discussion.
3. Have the workplace, equipment, and supplies ready.

B. Welcome the new worker.

1. Put him/her at ease.
2. Indicate relationship to new worker.
3. Assign a workplace and equipment.

C. Show genuine interest in the worker.

1. Discuss his/her background and interests.
2. Inquire about his/her housing situation.
3. Inquire about his/her transportation to and from work.
4. Inquire about any possible financial difficulties because of the pay lag, and suggest local sources of assistance.

D. Explain the work of the unit.

1. Describe the function.
2. Outline the organization.
3. Indicate his/her position in the unit.
4. Explain relation of work to that of other workers.
5. Tell him/her to whom s/he reports and who reports to him/her.

E. Introduce him/her to the chief of the unit and to co-workers.

1. Indicate to each the new worker's duties.
2. Explain duties of each person to whom introduced.
3. Arrange for a co-worker to go to lunch with him/her the first day.

F. Show him/her the layout and available facilities.

1. Explain layout of shop or office.
2. Show him/her elevators, washroom, water fountain, and other facilities.

G. Explain rules and regulations.

1. Hours of work.
2. Punctuality and good attendance.
3. Lunch period.
4. Rest periods.
5. Use of telephone.
6. Leave.
7. Other shop or office practices and procedures (smoking, fire regulations, etc.)

H. Instruct him/her in the job or assign to a qualified instructor.

1. Give step-by-step instruction.
2. Explain quality and quantity work standards.
3. Assign the workplace.
4. Indicate availability of instructor for future assistance.
5. Provide learning aids--samples of work manuals, job instruction, procedures, list of special technical terms, etc.
6. Stress safe working habits.
7. Stress security aspects of jobs.

I. Follow-up.

1. Check frequently on progress.
2. Encourage questions.
3. Make corrections and give encouragement.

VI. A job description should contain: (transparency)

A. Job title.
B. Location of job by department.
C. Purpose of job.
D. Relationship of job to other jobs, supervision given and received.
E. Degree of responsibility.. (Such factors as education, experience, and judgment necessary for the proper performance of job should be noted).
F. Job duties. (In addition to listing, classify duties as regular, periodic, infrequent, or occasional).
G. Working conditions. (If they require unusual safety precautions; if they are unpleasant, uncomfortable or difficult, these facts should be listed).
H. Machinery or equipment operated. (Job description should describe skills required).

VII. Guidelines for writing a job description:

A. Be clear and use nontechnical language whenever possible. A good job description explains the objectives, duties and responsibilities of a job so precisely that they are readily understandable to both employee and management.
B. Avoid the narrative form. Simply list the important details; don't tell a story.
C. Refer to job titles rather than people. For example, "Reports to Director of Personnel" instead of "Reports to Joe Smith."
D. Describe the job thoroughly but remember that the length of a job description doesn't increase the importance of the job. Be concise, yet complete.
E. Stress what a jobholder does instead of attempting to explain a procedure that must be used. For example, "Records appointments" instead of "A record of appointments must be kept in a date book."
F. Avoid fuzzy language. An expression like "handles outside contacts" might apply to a sales manager or a receptionist.
G. Be precise in defining responsibility.

VIII. Uses of job description information:

A. Hiring. A job description provides the standards against which a job applicant can be evaluated.
B. Training. Description of duties and equipment used form the basis for training information.
C. Performance appraisal. Instead of rating an employee on personal characteristics, evaluation can be based on attainment of job goals as indicated by the job description.
D. Promotion and transfer. The job description charts the routes of promotion by identifying lines of responsibility.
E. Labor relations. A written record of the standard job function is valuable in resolving labor disputes.

IX. Purposes of performance appraisal:

A. Improvement of performance. Points up areas of performance slippage and provides climate for planning improvements.
B. Basis for personnel action. Frequently tied to promotion, demotion, transfer, and salary increases.
C. Determining training needs. Spots patterns of problems which may influence future training areas.
D. Improving supervisor-employee communication. Sets a definite time and format for discussing employee progress.
E. Feedback on standards and supervision. Employee should be given opportunity to comment on expected performance, supervisory assistance, etc.

X. Steps to be taken in conducting performance appraisals: (transparency)

A. Prepare performance requirements in connection with the job description. Determine what and how well the employee is expected to do. (transparency)
B. Discuss the performance requirements with the employee. Be sure he understands what is expected of him and believes he <u>can</u> do it. If necessary, adjust the requirements.
C. Observe what the employee does on the job.
D. Evaluate the employee's performance against the requirements. Be objective; do not judge on personal characteristics or other criteria which are not essential to the performance requirements. Be specific about what was expected and how close the employee has come to meeting those expectations.
E. Discuss the evaluation with the employee. Give adequate credit for what he has accomplished as well as reviewing those things which have not been accomplished. Emphasize where improvement is needed and why it is needed.
F. Take appropriate action. Be specific about targets to be met in the period ahead and how they can be achieved.

XI. The employee benefit program:

A. Advantages of having a benefit program:

1. Heightened morale.
2. Reduction in absence, tardiness, accidents, complaints, and personnel turnover.
3. Opportunity for constructive interaction between employees and employer.
4. Greater productivity and therefore lower unit cost.

B. Major categories of employee benefits:

1. Legally required benefits (unemployment insurance, Social Security, and workmen's compensation).
2. Private welfare and security programs (pension plans, life and health insurance payments); these are some of the oldest and most popular benefits with 9 out of 10 persons under 65 now covered by private health insurance.
3. Pay for time not worked (holidays, vacations, sick leave, rest periods).
4. Extra compensation plans (profit sharing, savings plans, suggestion awards).
5. Employee services (subsidized cafeterias, discounts on purchase of company products, educational assistance, health services such as industrial nursing, financial services such as credit unions, counseling services, recreational facilities or organizations).

XII. Steps in building an effective benefits program:

A. Develop objectives. Objectives should be concerned with satisfying employee needs and expectations while maintaining consistency with company policies and employer requirements.
B. Invite employee participation. The success and value of most benefit plans are dependent upon group acceptance.
C. Communicate the benefits. Clear, accurate information regarding the use of the benefits should be available to employees if they are to appreciate those benefits.
D. Control costs. Administration costs for benefit programs as well as actual costs must be considered. A 1973 study by the national Chamber of Commerce office found that fringe benefits make up an average of 32.7% of the payroll. (transparency)
E. Recognize problem areas. Some employees do not like or want benefits. Others abuse benefits and continually demand additional benefits. Also, other personnel functions may be neglected in the administration of benefit programs. Legislative changes, such as the raising of the retirement age, will also affect benefits and could cause problems.

XIII. Dealing with employee grievances:

A. Causes of grievances:

1. Causes relating to the labor agreement--e.g., differences of interpretation between employee and management regarding contract provisions or personnel decisions.
2. Causes relating to the job--e.g., failure of employee to find satisfaction in the job or dissatisfaction with supervisory practices.
3. Causes relating to personal problems.

B. Stages in the development of a grievance:

1. A dissatisfaction with some aspect of employment, expressed in the form of a request for change; anger is minimal.
2. A complaint built up as a result of the inability to reach an understanding; anger and resentment grow.
3. A grievance, or the formalized written form of the dissatisfaction, with considerable resentment present.

C. Tips for handling disagreements before they become grievances:

1. Listen with interest. Listen to get the employee's point of view, to understand his/her feelings about the problem, and to show respect for the seriousness of the matter.
2. Consider the complaint important. Even if the complaint seems to be without foundation, demonstrate that employee concerns will get full attention.
3. Keep calm. Maintain control of temper and use clear thinking rather than anger, sarcasm, or belittling.
4. Get the grievance defined and described as clearly as possible.
5. Get all the facts that explain when, how, where, to whom, and why the grievance occurred. Ask the employee questions, check pertinent records, and review rules, to be sure the information is accurate and complete.
6. Establish tentative solutions to the problem and decide on the best one. Check your decision against the available information and previous cases.
7. Give or get a direct answer. If possible, give the answer immediately and in clear, understandable terms. If delay is necessary, keep the employee informed on the progress being made and the reasons for delay.
8. Sell the decision. Strengthen future relations by assuring the employee that his complaint received careful consideration and by thoroughly explaining the decision reached.
9. Follow up the case to see that it has been handled satisfactorily and the trouble eliminated.

D. Grievances may follow a series of several steps, or may be satisfactorily resolved at any point in the process. The usual grievance procedure:

1. The employee, with or without representation, confers with the supervisor.
2. The employee and his representative present the grievance in writing to the next higher authority (usually general foreman or superintendent).
3. The employee's grievance, with the support of higher representation, is taken to top-line management.
4. The grievance is taken to arbitration.

XIV. Labor laws that apply to the business/industrial manager:

A. National Labor Relations Act of 1935 (Wagner Act)--gave employees the legal right to organize and bargain collectively through chosen representatives.
B. Labor-Management Relations Act of 1947 (Taft-Hartley Act)--

1. Provisions concerning the National Labor Relations Board for purposes of collective bargaining and investigation of complaints.
2. Control of strikes by requirement of a 60-day notice of contract termination.
3. Checks on unions through requirements for financial and other information.

4. Forbidding of unfair labor practices, such as employer restraining employees from joining unions or discrimination in hiring due to union membership, refusal to collectively bargain, union coercion or forcing employees to join the union, participation in illegal strikes.

C. Labor Management Reporting and Disclosure Act of 1959 (Landrum-Griffith Act)--prevents unethical collusion between a company and the union and places controls on union leaders.
D. Equal Opportunity Law of 1964--prevents discrimination on grounds of race, color, sex, religion, or national origin.
E. Right to work laws--provide that a person need not belong to a labor union to get or keep a job; also provides that s/he may not be denied a job because s/he belongs to a union; twenty states, including Nebraska, have such laws.

XV. Subject matter usually covered in union contracts and labor agreements:

A. Management perogatives--the rights, responsibilities, and areas of action not subject to union interaction
B. Union recognition--acknowledgement of the rights of the union
C. Hours of work
D. Wages
E. Vacations and holidays
F. Working conditions
G. Seniority
H. Layoffs and rehiring
I. Arbitration and mediation
J. Renewal clauses

BUSINESS AND INDUSTRIAL SUPERVISORS
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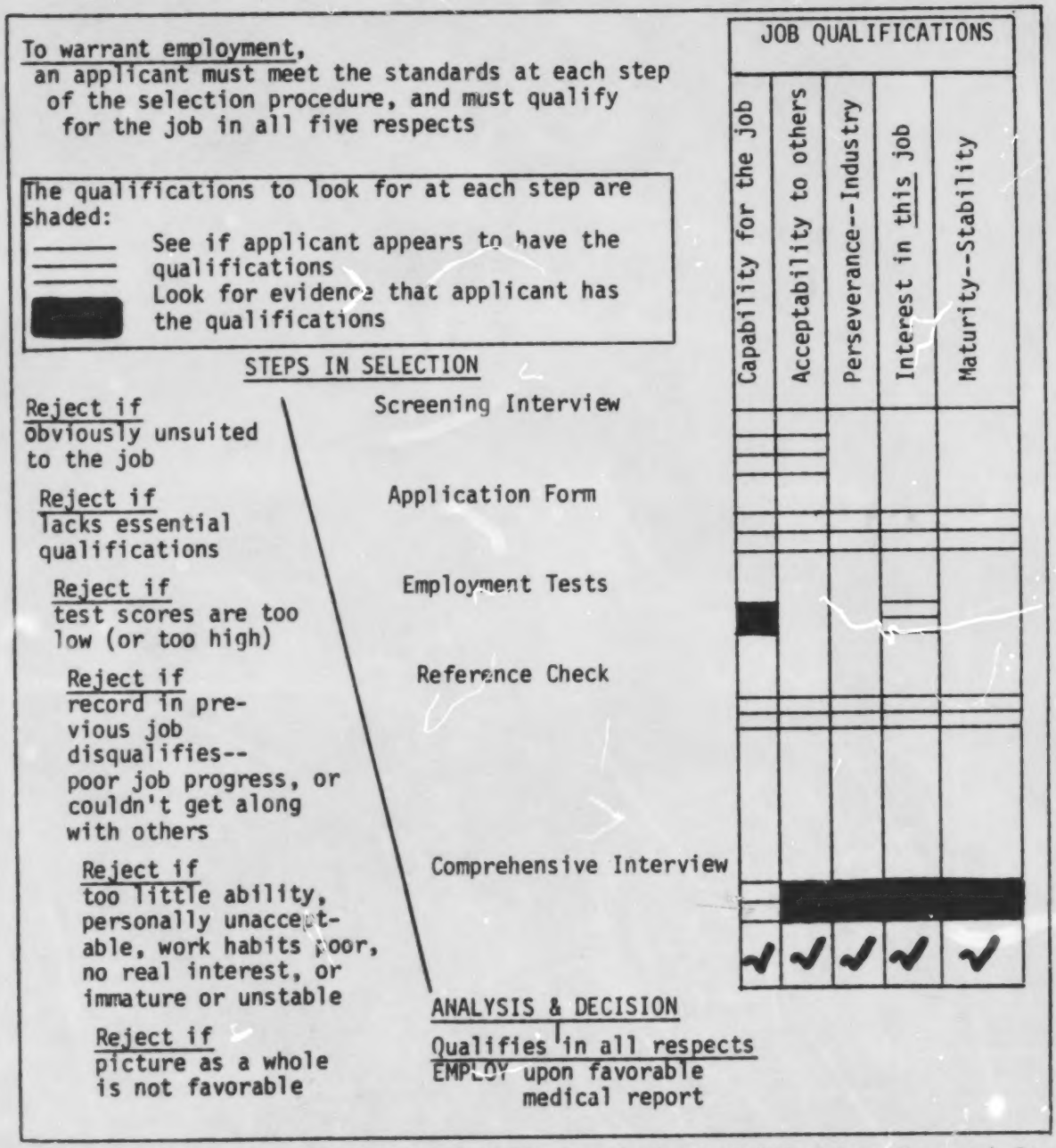
UNIT II

TRANSPARENCY MASTER #1

SUMMARY OF A SELECTION PROCEDURE


To warrant employment, an applicant must meet the standards at each step of the selection procedure, and must qualify for the job in all five respects
The qualifications to look for at each step are shaded:
See if applicant appears to have the qualifications
Look for evidence that applicant has the qualifications
STEPS IN SELECTION
Reject if obviously unsuited to the job
Screening Interview
Reject if lacks essential qualifications
Application Form
Reject if test scores are too low (or too high)
Employment Tests
Reject if record in previous job disqualifies--poor job progress, or couldn't get along with others
Reference Check
Reject if too little ability, personally unacceptable, work habits poor, no real interest, or immature or unstable
Comprehensive Interview
Reject if picture as a whole is not favorable
ANALYSIS & DECISION
Qualifies in all respects
EMPLOY upon favorable medical report
JOB QUALIFICATIONS
Capability for the job
Acceptability to others
Perseverance--Industry
Interest in this job
Maturity--Stability

Source: Adapted from Milton M. Mandell, The Employment Interview, Research Study no. 47 (New York: American Management Association).
in Michael J. Jucius, Personnel Management, 8th ed. Homewood: Richard D. Irwin, Inc., 1975, p. 124.

BUSINESS AND INDUSTRIAL SUPERVISORS
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UNIT II

TRANSPARENCY MASTER #2

SOME COMMERCIALLY AVAILABLE STANDARDIZED TESTS COMMONLY USED IN PERSONNEL TESTING

Name of Test	Example of jobs for which used
INTELLIGENCE	
Wonderlic Personnel Test	Clerical, factory, maintenance, and sales jobs
Adaptability Test	
Wesman Personnel Classification Test	
Concept Mastery Test	Managerial or executive job candidates
General Aptitude Test Battery	United States Employment Service programs
Nonreading Aptitude Test Battery	All types of jobs from executive to unskilled
Employee Aptitude Survey	Wide variety of jobs--battery includes 18 short tests covering 18 different job elements
Flanagan Industrial Kit	
DEXTERITY	
Stromberg Dexterity Test	Foundry moulders, punch press operators, assemblers
Purdue Pegboard	Radio tube mounters, production jobs
O'Connor Finger and Tweezer Dexterity Tests	Instrument assembly
CLERICAL APTITUDE	
Minnesota Clerical Test	Office jobs
SRA Typing Skills	Typists
The Short Employment Tests	Office jobs
MECHANICAL APTITUDE	
Test of Mechanical Comprehension	Variety of engineering and mechnical jobs
Revised Minnesota Paper Form Board Test	Mechanical shop work, drafting, design
PERSONALITY	
Gordon Personal Profile and Inventory	Office workers, computer programmers, others
Edward Personal Preference Schedule	Insurance salespersons, office workers
Guilford-Zimmerman Temperament Survey	Executives
Thematic Apperception Test	Managers and supervisors
California Personality Inventory	
CREATIVITY AND JUDGMENT	
AC Test of Creative Ability	Engineers
Owens Creativity Test for Machine Design	Engineers
Watson-Glaser Critical Thinking Appraisal	Executives
SUPERVISORY AND MANAGERIAL ABILITIES	
How Supervise?	Managerial and supervisory jobs
Supervisory Practices Test	
Management Aptitude Inventory	
Leadership Opinion Questionnaire	

BUSINESS AND INDUSTRIAL SUPERVISORS
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TRANSPARENCY MASTER #2 (continued)

SOME COMMERCIALLY AVAILABLE STANDARDIZED TESTS COMMONLY USED IN PERSONNEL TESTING

Name of Test	Example of jobs for which used
INTEREST	
Strong Vocational Interest Blank	Administrative and sales jobs
Minnesota Vocational Interest Inventory	Various skilled jobs

Source: Herbert J. Chruden and Arthur W. Sherman, Jr. Personnel Management. 5th ed. Cincinnati: South-Western Publishing Co., 1976, p. 150.

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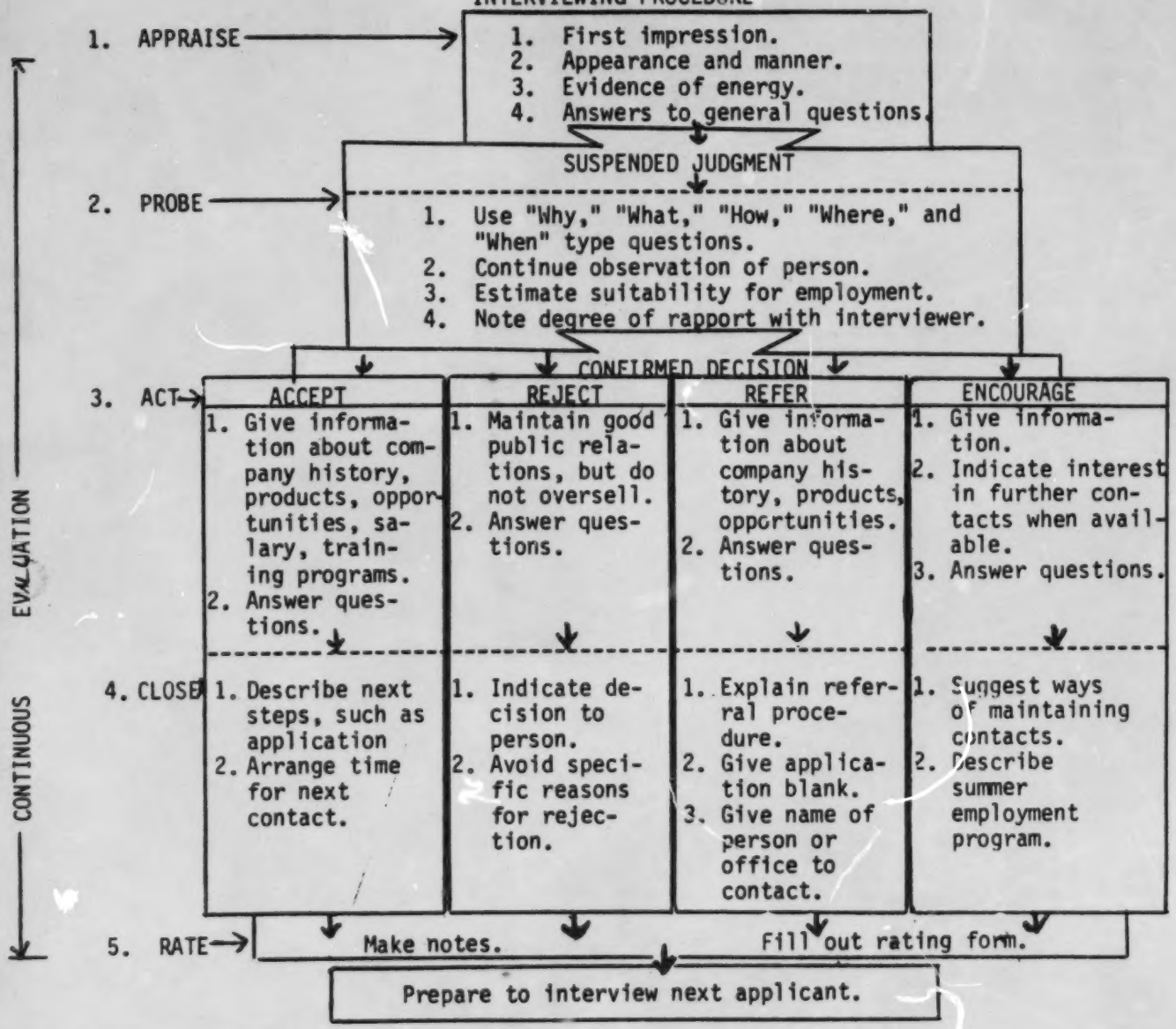
TRANSPARENCY MASTER #3

INTERVIEWING PROCEDURE


1. APPRAISE
1. First impression.
2. Appearance and manner.
3. Evidence of energy.
4. Answers to general questions.
SUSPENDED JUDGMENT
2. PROBE
1. Use "Why," "What," "How," "Where," and "When" type questions.
2. Continue observation of person.
3. Estimate suitability for employment.
4. Note degree of rapport with interviewer.
CONFIRMED DECISION
3. ACT
ACCEPT
1. Give information about company history, products, opportunities, salary, training programs.
2. Answer questions.
REJECT
1. Maintain good public relations, but do not oversell.
2. Answer questions.
REFER
1. Give information about company history, products, opportunities.
2. Answer questions.
ENCOURAGE
1. Give information.
2. Indicate interest in further contacts when available.
3. Answer questions.
4. CLOSE
1. Describe next steps, such as application
2. Arrange time for next contact.
1. Indicate decision to person.
2. Avoid specific reasons for rejection.
1. Explain referral procedure.
2. Give application blank.
3. Give name of person or office to contact.
1. Suggest ways of maintaining contacts.
2. Describe summer employment program.
5. RATE
Make notes.
Fill out rating form.
Prepare to interview next applicant.
EVALUATION
CONTINUOUS

Source: Michael J. Jucius, Personnel Management. 8th ed. Homewood: Richard D. Irwin, Inc., 1975, p. 154.

BUSINESS AND INDUSTRIAL SUPERVISORS
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UNIT II

TRANSPARENCY MASTER #4

SUPERVISOR'S CHECKLIST FOR INDUCTING THE NEW WORKER

Worker's Name _____ Grade _____ Title _____

Date Reports for Work _____ Organizational Unit _____

Purpose: This list provides you with an outline to follow in welcoming and systematically inducting new workers. The induction period is your greatest opportunity to win the worker's loyalty, stimulate interest, and get him/her into satisfactory production. Check each item to be sure you have welcomed the new worker properly and have given all the information that s/he should have.

	DATE COMPLETED
1 GET READY TO RECEIVE THE NEW WORKER.	
( ) Review work experience, education, and training.	_____
( ) Have an up-to-date description of the job or a list of duties and responsibilities available for discussion.	_____
( ) Have the workplace, equipment, and supplies ready.	_____
2 WELCOME THE NEW WORKER.	
( ) Put him/her at ease.	_____
( ) Indicate relationship to new worker.	_____
( ) Assign a workplace and equipment.	_____
3 SHOW GENUINE INTEREST IN THE WORKER.	
( ) Discuss background and interests.	_____
( ) Inquire about his/her housing situation.	_____
( ) Inquire about transportation to and from work.	_____
( ) Inquire about any possible financial difficulties because of the pay lag, and suggest local sources of assistance.	_____
4 EXPLAIN THE WORK OF THE UNIT.	
( ) Describe the function.	_____
( ) Outline the organization.	_____
( ) Indicate position in the unit.	_____
( ) Explain relation of work to that of other workers.	_____

BUSINESS AND INDUSTRIAL SUPERVISORS
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TRANSPARENCY MASTER #4 (continued)

SUPERVISOR'S CHECKLIST FOR INDUCTING THE NEW WORKER

( ) Tell him/her to whom s/he reports and who reports to him/her. _____

5 INTRODUCE HIM/HER TO THE CHIEF OF THE UNIT AND TO CO-WORKERS.

( ) Indicate to each of the new worker's duties. _____

( ) Explain duties of each person to whom introduced. _____

( ) Arrange for a co-worker to go to lunch with him/her the first day. _____

6 SHOW THE LAYOUT AND AVAILABLE FACILITIES.

( ) Explain layout of shop or office. _____

( ) Show elevators, washroom, water fountain, and other facilities. _____

7 EXPLAIN RULES AND REGULATIONS.

( ) Hours of work. _____

( ) Punctuality and good attendance. _____

( ) Lunch period. _____

( ) Rest periods. _____

( ) Use of telephone. _____

( ) Leave. _____

( ) Other stop or office practices and procedures (smoking, fire regulations). _____

8 INSTRUCT HIM/HER IN THE JOB OR ASSIGN TO A QUALIFIED INSTRUCTOR.

( ) Give step-by-step instruction. _____

( ) Explain quality and quantity work standards. _____

( ) Assign the workplace. _____

( ) Indicate availability of instructor for future assistance. _____

( ) Provide learning aids--samples of work manuals, job instruction, procedures, list of special technical terms. _____

BUSINESS AND INDUSTRIAL SUPERVISORS
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TRANSPARENCY MASTER #4 (continued)

SUPERVISOR'S CHECKLIST FOR INDUCTING THE NEW WORKER

( ) Stress safe working habits. _____

( ) Stress security aspects of job. _____

9 FOLLOW-UP.

( ) Check frequently on progress. _____

( ) Encourage questions. _____

( ) Make corrections and give encouragement. _____

Source: Lewis R. Benton, Supervision and Management. New York: McGraw-Hill, 1972, p. 178-180.

BUSINESS AND INDUSTRIAL SUPERVISORS
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TRANSPARENCY MASTER #5

JOB DESCRIPTION FORM

Position Title: Middle Management Under Supervision of: _____

Definition of Job Purpose:

To be a link between management and production, responsible for seeing that company policies are executed to the company's benefit.

Definition of Job Duties:

1. Informing management on price and trend forecasts.
2. Informing management on profit and loss in each department.
3. Knowing specific duties of each department under his supervision.
4. Supervising job training.
5. Giving authority on job assignments.

Additional Responsibility Requirements:

1. Representing company at conventions, service clubs, etc.
2. Maintaining good employer-employee relations.

Extent and Limits of Decision-Making Authority Granted:

1. These are specified by top management and Board of Directors.
2. Primarily sees that top management's decisions are carried out, but also initiates some action in so doing (extent depends on size of company).
3. Direct supervision depends on size of company.

Working Conditions:

As many hours as are needed to fulfill job duties without neglecting family and community activities.

Source: Michael J. Jucius, Personnel Management, 8th ed. Homewood: Richard D. Irwin, Inc., 1975, p. 92.

BUSINESS AND INDUSTRIAL SUPERVISORS
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TRANSPARENCY MASTER #6

WHAT ARE THE STEPS?

Here is Mr. Common Sense to show you the six basic steps in performance evaluation:

6 Take appropriate action.

5 Discuss the evaluation with the employee.

4 Evaluate his performance against the requirements.

3 Observe what he is doing.

2 Discuss the performance requirements with the employee and adjust them as needed.

1 Prepare performance requirements. In other words, how well you expect the employee to do his duties.

Source: Common Sense About Evaluating and Recognizing Performance, VA Pamphlet 05-29, Revised (Washington, D.C.: U.S. Government Printing Office, 1966), p. 7.

in Herbert J. Chruden and Arthur W. Sherman, Jr. Personnel Management. 5th ed. Cincinnati: South-Western Publishing Co., 1976, p. 222.

BUSINESS AND INDUSTRIAL SUPERVISORS
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UNIT II

TRANSPARENCY MASTER #7

PERFORMANCE STANDARDS--STENOGRAPHER-TYPIST AND FILE CLERK

	Hours	Minutes	%
1. Total Hours Paid for: (Daily)	8	480	100
Total Hours Allowance: (Daily)	1	60	12.5
Total Net Productive Hours: (Daily)	7	420	87.5

LINES

2. 30 Lines per Letter: Dictated and Transcribed
30 Lines per Letter: Straight Copy

LETTERS

3. Production (net production time) - in Seven (7) Hours, or 420 Minutes:
Dictated and Transcribed Letters (30 lines each) = 10-1/2 letters, or
Straight Copy Work (30 lines each) = 21 letters

TIME STUDY ANALYSIS

4. Fifteen (15) Minutes Average Dictation Time for 30-Line Letter
Twenty-Five (25) Minutes Average Transcription Time for 30-Line Letter
Twenty (20) Minutes Average Copy Time for 30-Line Letter

AVERAGE DAILY TIME

5. Net Production Time: Seven (7) Hours, or 420 Minutes:
Minutes per Dictated Letter (40) = 10-1/2 - 30-Line Letters in Seven (7) Hours
Minutes per Copied Letter (20) = 21 - 30-Line Letters in Seven (7) Hours

FILING

6. (a) Fifty (50) Units of Mail per Hour using a numerical file system is the average and includes General File upkeep.
(b) One hundred fifty (150) Units of Mail per Hour, filing alphabetically, is the average and includes General File upkeep.

Production standards are based on surveys of stenographic work and represent actual production of stenographers having average ability.

Source: Michael J. Jucius, Personnel Management, 8th ed. Homewood: Richard D. Irwin, Inc., 1975, p. 94.

BUSINESS AND INDUSTRIAL SUPERVISORS
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UNIT II

TRANSPARENCY MASTER #8

FRINGE BENEFIT COSTS

Fringe Benefit Category	Percentage of Payroll
Pension and other agreed-upon payments, including pension-plan premiums and payments not covered by insurance-type plan, life insurance premiums, death benefits, sickness, accident, and medical-care insurance premiums, hospitalization insurance, etc., separation or termination pay allowances, discounts on goods and services purchased from company by employees, free meals. ... (Employer's Share).	10.5
Payments for time not worked, including paid vacations and bonuses in lieu of vacation, payments for holidays not worked, paid sick leave, and payments for State or National Guard duty, jury, witness and voting pay allowances, payments for time lost due to death in family or other personal reasons, etc.	9.2
Legally required benefits, including old-age and survivors insurance, unemployment compensation, workmen's compensation, railroad retirement tax, railroad unemployment insurance, state sickness benefits insurance, etc. . .(Employer's Share)	7.5
Paid rest periods, lunch periods, wash-up time, travel time, clothes-change time, get-ready time, etc.	3.2
Profit-sharing payments, Christmas or other special bonuses, service awards, etc., and special wage payments ordered by courts, payments to union stewards, tuition refunds, etc.	2.3
	32.7

Source: Employee Benefits, 1973 (Washington, D.C.: Chamber of Commerce of the United States of America, 1974), p. 8.

in Herbert J. Chruden and Arthur W. Sherman, Jr. Personnel Management, 5th ed. Cincinnati: South-Western Publishing Co., 1976, p. 520.

BUSINESS AND INDUSTRIAL SUPERVISORS
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UNIT II

ASSIGNMENT SHEET #1

JOB DESCRIPTION AND PERFORMANCE APPRAISAL

In the space below, write a job description for the job you now hold or for one you have held in the past or hope to hold in the future. Include all parts of the job description, as explained on the information sheet. Also list the specific standards which could be used for performance appraisal.

BUSINESS AND INDUSTRIAL SUPERVISORS
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ASSIGNMENT SHEET #2

Read the following case study and answer the questions at the end.

INTRODUCTION

The following case illustrates the kind of problem that can be met, in part, by induction and training. It also brings out the role of the personnel administrator (or training director) in helping supervisors and higher line management to solve production problems. Finally, it shows the relation of induction and training to other parts of a well-rounded personnel program.

CASE BACKGROUND

In February, 1943, the supervisor of the spinning room of the Beecroft Mills (manufacturers of cotton textile products) told the vice-president in charge of manufacturing that he needed more learner spinners on the third shift. He said that he was losing spinners faster than new applicants were being sent to him and that, unless something was done, he would not be able to meet production schedules because he was already short of experienced spinners. The vice-president then asked the personnel administrator to look into the problem and give him a report on what should be done.

The personnel administrator first studied the departmental labor-turnover reports and then asked his assistant to make a special tabulation. He found that of 11 learner spinners hired between Dec. 1, 1942, and Feb. 19, 1943, only 3 remained. Furthermore, he learned from his employment interviewers that girls applying for work did not want to go into the spinning room as learners.

Next, the personnel administrator talked with the foreman of the spinning room and his assistants. Then he interviewed the union stewards and, individually, about 10 different spinners on the first and second shifts. These included younger girls who had started on the third shift as learner spinners, older women who had been spinning for some time, and girls who either were now working on bobbin machines (which removed the remaining yarn from used bobbins) or had learned to spin after starting on the bobbin machines.

THE REPORT

After these interviews, the personnel administrator again discussed the problem with the supervisor of the spinning room and then prepared his report for the vice-president. The following are the significant portions of this report:

(1) Learning to spin is a difficult job initially for the average young girl, and the first several weeks are a particularly difficult time. A learner is apt to be discouraged easily if too many "ends [of yarn] go down" for one reason or another, and she is unable to "piece up" these ends as rapidly as she should. A certain amount of nervous tension is involved; and, when combined with a new job, night work, and the inevitable noise and dust of the spinning room, dis-

couragement may lead to quitting the job. This is especially apt to happen under the present labor-market conditions, when the alternative to sticking to a job is no longer unemployment. If a girl feels she can get another job elsewhere, she is not so likely to put forth that extra effort to overcome the initial discouragements of learning to spin.

(2) Teaching and supervising learner spinners on the third shift, therefore, require more patience than ever before. Mistakes must be pointed out carefully and corrected sympathetically. It is significant to note here that all the girls interviewed who had started on the third shift had been taught how to spin by one of their relatives. Some said that, if it had not been for the patience of these relatives and the encouragement given by them, they would have quit their jobs long ago.

(3) If learner spinners say they are discouraged and want to quit, this should not be accepted as a fact, but instead a real effort should be made to discuss their work with them and to encourage them to "stick it out." If third-shift girls still want to quit, the foreman has asked that they remain until 7 a.m. so that he may also discuss their problems with them. [Note that this procedure fits very well into the "exit interview" program.]

(4) When new learner spinners are first hired, they should be referred by the employment interviewer during the day to the spinning-room supervisor, before they report for work on the third shift at 11 p.m. This will give the supervisor an opportunity to explain the initial difficulties and discouragements that are likely to be involved in learning to spin. A "pep talk" of this sort should prepare the new girl for some of the difficulties she will first encounter on the job.

(5) Frame assignments for learner spinners are increased faster than the girls feel they are able to handle them. There seems to be a tencency for the assistant foreman on the third shift to get out production at the expense of adequate training of learners. The commonsense observation here is: Ask the new girl whether she thinks she can do it and give her every encouragement to try to handle more sides, but do not force her to take more than she thinks she can handle. Otherwise, discouragement will result, and production will suffer in the long run.

(6) Physical conditions on all shifts should be made as attractive as possible, within the limitations of the nature of the work (noise and dust seem inevitable) and governmental restrictions on new plumbing equipment. One thing that could be done, however, would be to provide better dressing facilities in the various spinning rooms, similar to what is now available at the end of Mill 7. The young girls who are spinning seem to feel that they are unable to come to work in street dresses, since there is no place where they can conveniently change to a work dress and, after work, back to a street dress.

(7) A final point concerns the initial wage differential between new learner spinners and girls on the bobbin machines. The latter job is clearly much less difficult, but the starting rate is 47.5 cents an hour. Within a few weeks a girl can earn the top rate of 51.9 cents an hour. The newly hired learner spinner, on the other hand, starts at the learner rate of 42.5 cents; and, although she goes up at least 2.5 cents every 2 weeks before reaching the piecework base rate of 55 cents, she continues for at least 6 weeks to earn less per hour than the bobbin-machine girl.

The reaction of some girls was: "Why try to learn to spin if you can make more on the bobbin machine?" Of course, in the long run, the spinners do make more money on piecework, but workers frequently think of the immediate future,

especially when their friends emphasize the present differential. Furthermore, if a girl starts on the bobbin machine and later learns to spin, it is the practice in the department to guarantee her at least her hourly rate on the bobbin machine while she is learning to spin. Thus the newly hired learner spinner starts at a lower level, as compared with newly hired bobbin-machine girls and as compared with learner spinners who transfer from the bobbin machines.

It may not be practicable to revise the learner spinners' rates, especially if other learners are not similarly treated. However, one suggestion is this: In order to encourage learner spinners to "stick it out" and to pay them at least as much per hour as bobbin-machine girls if they do, it might be possible to make a retroactive payment of the difference upon completion of the learning period. In other words, a learner spinner might be told that, if she stayed on the job and really learned to spin, she would be paid a sort of "bonus" at the end of the learning period. This payment would amount to the difference between her actual hourly earnings during the first 7 or 8 weeks (when she earned less than the bobbin-machine girls) and the actual hourly earnings of the bobbin-machine girls during the same period. At most, this would not amount to more than $16 per girl, probably less; and, if it served to keep only a few girls from quitting, it might be worthwhile. It is only a suggestion, however, and not a recommendation.

QUESTIONS ON THE CASE

a What were the "training" aspects of this problem? To what extent was the personnel administrator successful in spotting training needs?

b Describe how a good induction program might have reduced the turnover of learner spinners.

c The personnel administrator did not recommend a definite training program for learner spinners. On the basis of his findings, what type of program, if any, should he have suggested?

d Many of the points in the report deal with the manner in which learners should be taught, rather than with the actual content of the training program. Why do you think the personnel administrator stressed this aspect of training?

e Do you think that better induction and training was the answer to the problem? Why or why not?

Source: Pigors, Paul and Charles A. Myers. Personnel Administration. 6th ed. New York: McGraw-Hill, 1969.

BUSINESS AND INDUSTRIAL SUPERVISORS
HELP IN HIRING
UNIT II

ASSIGNMENT SHEET #3

Read the following case study and answer the questions at the end.

The Case of the Delayed Reply. A case study in human relations involving grievances, with questions for you to think about.

When Lew first brought his complaint to the attention of his shop supervisor, Bob Baker, he felt fairly satisfied. "Bob listened to what I had to say about why I should have gotten the overtime rather than the man from the second shift," Lew told his benchmate. "I can't see how Bob can handle it any other way than to give me what's coming to me." This conversation took place the day after Lew had spoken to his supervisor.

Three days later when Lew saw that his paycheck didn't reflect any additional money, he spoke to Bob again. "What happened to that overtime pay I spoke to you about? I figured that so long as I didn't hear from you that the company had approved my request. How long do I have to wait for my money?"

"Well, now," said Bob, "I didn't promise you that you'd get the money. All I said was that I'd look into it. But I've been so busy lately that it clean slipped my mind. Tell you what. I'll go up to payroll this afternoon for sure and find out what can be done."

That afternoon Bob checked the matter with the personnel manager and with his boss. They both listened to the facts. Then they showed Bob that a similar case had been settled at a third-step grievance with the union--with no overtime pay for the employee concerned.

Bob didn't look forward to telling Lew that he wouldn't get the overtime, so for a couple of days he avoided going into Lew's part of the shop. The following payday, however, Lew went up to Bob's desk: "I still didn't get the overtime pay. Are you going to do something about it or aren't you?"

Bob then told Lew that he wasn't entitled to the overtime pay. Lew replied, "We'll see about that. I spoke to my shop steward and he's told me to file a written grievance. He said that's the only way to get any action around here. And I can already see that he's right!"

1. Do you think the written grievance could have been avoided? How?
2. If Lew really had no case, will it make any difference in the long run whether he files a grievance or not? Why?
3. If you were Lew, what would you think of Bob as a supervisor?

Source: Bittel, Lester R. What Every Supervisor Should Know. 3rd ed. New York: McGraw-Hill, 1974.

BUSINESS AND INDUSTRIAL SUPERVISORS
HELP IN HIRING
UNIT II

REVIEW SHEET

Check what you have learned about hiring and training employees, job descriptions and performance appraisals, employee benefits, and labor relations, by completing the review sheet below. Then check your answers with the information sheet materials. If you get all fifteen items right, you're doing a terrific job! Twelve right is very good; ten right is fair; and if you got eight or less right, you need some review on the principles.

1. Match the following terms and their definitions:

_____	A. Arbitration	1. A complaint, expressed in writing or orally, on a company-related matter.
_____	B. Collective bargaining	2. A management control designed to provide a report of how well individuals are performing to standards.
_____	C. Grievance	3. A word picture, in writing, of the organizational relationships, responsibilities, and specific duties that constitute a given position.
_____	D. Job Description	4. An agreement by both parties in a dispute to submit the issue to an impartial umpire whose decision both parties agree to accept.
_____	E. Performance appraisal	5. The process whereby authorized representatives of the employer meet with authorized representatives of the employees to establish wages, hours, and working conditions.

2. List four questions which must be considered in establishing an effective hiring practice.

   a.

   b.

   c.

   d.

3. Discuss the use of the four hiring process tools.

   a.

   b.

   c.

4. List several benefits, some common errors, and some means of facilitating the training of new employees.

   benefits:

   a.

   b.

   c.

   errors:

   a.

   b.

   c.

   d.

   facilitating:

   a.

   b.

   c.

   d.

5. List at least five components of an effective training program.

   a.

   b.

   c.

   d.

   e.

6. List the seven components which should be contained in a job description.

   a.

   b.

   c.

   d.

   e.

   f.

   g.

7. Discuss at least five guidelines for writing a job description.

   a.

   b.

   c.

   d.

   e.

8. List five possible uses of job description information.

   a.

   b.

   c.

   d.

   e.

9. Discuss five purposes of performance appraisal.

   a.

   b.

   c.

d.

e.

10. Explain the six steps to be taken in conducting performance appraisals.

a.

b.

c.

d.

e.

f.

11. List four advantages of having an employee benefit program and the five major categories of benefits.

advantages:

a.

b.

c.

d.

categories:

a.

b.

c.

d.

e.

12. Explain the five steps involved in building an effective benefits program.

    a.

    b.

    c.

    d.

    e.

13. Discuss four components of dealing with employee grievances.

    a.

    b.

    c.

    d.

14. List five labor laws that affect business managers.

    a.

    b.

    c.

    d.

    e.

15. List at least seven items usually covered in labor agreements.

    a.

    b.

    c.

    d.

    e.

BUSINESS AND INDUSTRIAL SUPERVISORS
LINES OF COMMUNICATION
UNIT III

UNIT OBJECTIVES

This unit will give the manager in business or industry an opportunity to increase management skills in regard to communications, delegation, public relations, and the role of the new manager. In studying the four topics, specific techniques for each will be presented as well as opportunities to participate in actual practice activities.

SPECIFIC OBJECTIVES

Upon completion of this unit, the participant should be able to:

1. Match definitions with the following terms: communication, delegation, public relations.
2. List the three forms of communication.
3. Describe the communication process.
4. List at least seven barriers to communication.
5. Describe the skill of effective listening.
6. List five reasons why managers should delegate.
7. List five reasons why managers fail to delegate.
8. Discuss six delegation techniques.
9. Discuss the situations when delegation will not work.
10. List seven guidelines for giving instructions.
11. List five suggestions for holding effective employee meetings.
12. Name three components in achieving the goal of public relations.
13. Diagram the public relations procedure.
14. Discuss at least seven community relations techniques.
15. Discuss at least seven tips for the new manager.

BUSINESS AND INDUSTRIAL SUPERVISORS
LINES OF COMMUNICATION
UNIT III

SUGGESTED ACTIVITIES

I. Instructor:

A. Provide participants with objective sheet.
B. Provide participants with information and assignment sheets.
C. Discuss unit and specific objectives.
D. Discuss information and assignment sheets.
E. Discuss review sheets.

II. Participant:

A. Read objectives
B. Study information sheets.
C. Complete assignment sheets.
D. Check that you can achieve each specific learning objective.
E. Complete and check review sheets.

INSTRUCTIONAL MATERIALS

I. Included in this unit:

A. Objectives
B. Information sheets
C. Transparency masters:

1. Communication process
2. Public relations procedure

D. Assignment sheets:

1. Communication self-quiz
2. Communications case study
3. Delegation exercise
4. Public relations case study

E. Review sheets

II. References:

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C. Canfield, Bertrand R. Public Relations. 5th ed. Homewood: Richard D. Irwin, 1968. (C)

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F. Danish, Steven J. and Allen L. Hauer. Helping Skills: A Basic Training Program. New York: Behavioral Publications, 1973. (A)

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N. Stephenson, Howard (ed.) Handbook of Public Relations. New York: McGraw-Hill, 1971. (C)

O. Terry, George R. Supervision. Homewood: Richard D. Irwin, 1978. (A,B)

REFERENCE CODE:

A--communications
B--delegation
C--public relations
D--role of the new manager

BUSINESS AND INDUSTRIAL SUPERVISORS
LINES OF COMMUNICATION
UNIT III

INFORMATION SHEET

I. Terms and definitions:

A. Communication--The transmission and reception of a message that travels between two or more persons.
B. Delegation--A process by which supervisors entrust certain employees with the accomplishment of specific work objectives; those employees are given responsibility for reaching those objectives and authority sufficient to perform.
C. Public relations--The management function which evaluates public attitudes, identifies the policies and procedures of the organization with the public interest, and executes a program of action to earn public understanding and acceptance.

II. Communication is the manager's most important tool. Studies have shown that a minimum of 65-70% of the supervisor's time is spent in communication. Forms of communication include:

A. Written communications from management:

1. Job descriptions and procedural manuals or handbooks
2. Newsletters
3. Memos

B. Written communications from employees:

1. Reports
2. Suggestions

C. Face-to-face communications (includes spoken and non-verbal expressions)

1. Superior-subordinate
2. Committees
3. Informal communication ("the grapevine")

III. The communication process: (transparency)

A. The source wants to communicate an idea, thought, need, or information to another person.
B. The source encodes his idea into symbols such as words, diagrams, etc.
C. The message is the encoded idea that the source will send to the other person.
D. The channel is the medium through which the message is sent. It may be spoken or written words, a pat on the back, etc.
E. The receiver is the person who receives the sent message.
F. The receiver decodes the message by envisioning an idea from meaning he has attached to the symbols used.

G. The receiver may respond to the message with feedback which indicates whether or not his understanding of the message coincides with the source's intended thought.
H. The message may be distorted by noise.

IV. Barriers to communication (noises):

A. Differences in background, experience, or attitudes which inhibit understanding the other's reasoning or feelings; e.g., a reference to "you guys" may be interpreted as casual friendliness or as a lack of respect, depending upon attitude.
B. People stereotypes which activate mental blocks and prejudices; e.g., the word "salesman" may cause immediate defensiveness against "pushy people trying to talk you into something."
C. Symbols that have different meanings for different people, e.g., when a repairman assures the client that repairs will be done "quickly" and "at reasonable cost", at exactly what time and cost will the item be ready?
D. Different vocabularies; in many fields jargon or abbreviations such as OSHA, FOB, EEOC, etc., are frequently used, but some receivers may not understand what is meant.
E. Lack of awareness of nonverbal symbols such as tone of voice, gestures, facial expressions, behavior, etc. A manager who growls at an employee because he is upset about some entirely unrelated problem will be communicating something he probably does not intend.
F. One-way-only communication when supervisors simply give orders and do not allow feedback.
G. Narrow, rigid viewpoints which cause the receiver to block out anything that doesn't fit in with his view.
H. The tendency to jump to conclusions.
I. Distractions from the environment, such as time pressures, physical discomfort, etc.
J. Lack of adequate planning as to who should communicate what and how it could most effectively be done.

V. Listening is a skill that must be learned. Effective listening requires energetic concentration.

A. Listening is a process of responding to different levels of stimuli:

1. We listen to some sounds because of their suddenness, intensity, or contrast with previous sounds; e.g., a fire alarm.
2. There are some sounds we hear automatically because we have trained ourselves to do so; e.g., the mail delivery coming at approximately the same time every day.
3. Some sounds are noticed by their absence; e.g., in a room full of noisy machines, the supervisor immediately looks up when one of those machines stops.

B. Listening is a constantly shifting process. Since the average speaking rate is 120 words per minute while the listening comprehension rate averages 400 words per minute, most of us listen intensely for only a few seconds, then drift off, paying attention only in spurts.

C. Motives and feelings greatly influence listening. If we expect a message to be of personal importance our listening ability improves remarkably. When the message is contradictory or distasteful to us, it takes a disciplined mind to listen carefully.
D. Some tips for increasing listening ability:

1. Prepare yourself to listen. Develop an attitude that in almost all messages there are likely to be ideas that can be used. Be interested, pay attention.
2. Listen nonevaluatively. Do not judge the message and impose your situation, behavior, or feelings on the other person. Overlook any distracting things about the way the message is being delivered.
3. Try to understand the other person's point of view or frame of reference. In summary:

a. With your head, listen to what is said.
b. With your heart, listen to what isn't said.
c. With your hands, listen by taking notes--when important to remember.
d. With your body, listen by reacting physically--with posture, gestures, nods.
e. With your voice, listen by asking questions and by responding with playback, words, or silence.

VI. Reasons why managers should delegate:

A. You can't do everyone's job. Even if you are the most productive employee in the organization, it is not possible to work as efficiently as a group of employees working together.
B. Your job is to manage. Supervisors are responsible for management functions, not for operational activities.
C. Those close to a problem often make better decisions. Employees can often take immediate action and avoid a crisis build-up.
D. Delegation demonstrates trust of and respect for employees. This creates an atmosphere of participation and commitment to the organization.
E. Delegation is a step toward employee development. With supervisory support, employees can develop confidence and explore abilities.

VII. Reasons why managers fail to delegate:

A. Fear of costly mistakes by subordinates for which the supervisor will be held responsible by top management.
B. Desire for personal credit; fear of loss of prestige or status; fear that subordinates might perform too well and show up the supervisor.
C. Fear of losing control of an activity; reluctance to give up activities that a supervisor performs well.
D. Misjudgment of time; failure to plan work ahead.
E. Having no one to delegate to.

VIII. Delegation techniques:

A. Carefully select the tasks to be delegated. Choose tasks based on your over-all plan. Assign as many tasks as you safely can; but avoid over-delegating to the point where employees are put in a continual sink-or-swim situation. Generally, delegate the routine matters.

B. Carefully select the persons to whom you will delegate. Know subordinates' capabilities. Get their recommendations for solving problems and prepare them to be self-reliant before delegating assignments.
C. Turn over the assignment skillfully. Specify goals and objectives. Agree on performance standards. Give the employee all the training and assistance needed; but delegate according to the results desired, not according to the method to be used. The heart of successful delegation is allowing freedom to work independently.
D. Give sufficient authority to complete the task and let others know to whom the task has been delegated so that cooperation can be expected.
E. Expect and accept some mistakes, but don't snatch back the delegated task. Employees will not develop skills and will doubt the supervisor's sincerity if s/he takes over at the first sign of trouble.
F. Follow up. Take an interest in the progress of the assignment, but don't snoop. Call for progress reports and schedule reviews. Give appropriate rewards for successful completion of the work.

IX. When delegation will not work:

A. When the employee is unwilling to accept responsibility.
B. When there is poor communication between the supervisor and employees, so that the employee is unable to understand what is expected of him/her.

X. Guidelines for giving instructions:

A. Plan what specific actions are required and by whom.
B. Find out what the employee already knows.
C. Give a reason-why explanation, if possible.
D. Show an example or illustration, if possible.
E. Make it clear that you welcome questions.
F. Check the employee's progress before s/he has gone too far.
G. Evaluate whether desired results are being accomplished, and give the employee a sense of success.

XI. Holding effective employee meetings:

A. Write down on agenda in proper sequence what subjects or points are to be discussed.
B. Limit attendance to those who will contribute or who need to be informed with respect to how the subject was handled.
C. Give advance notice of the purpose of the meeting to expected attendees.
D. Draw up a schedule and adhere to it. Set a starting and an ending time.
E. Have concise minutes written showing the conclusions reached, definite assignments made, and any deadline dates set.

XII. The goal of public relations is to convince people that they should adopt a certain attitude or pursue a certain course of action. This is accomplished by:

A. Attracting attention
B. Winning belief
C. Imparting understanding

XIII. The public relations procedure: (transparency)

A. Internal research--collect information and ideas from within the organization; "what is the message we want to send to the public?"
B. Integration with policy--apply judgment to be sure every message furthers management purposes.
C. Preparation of the message--uses appropriate form based on to whom the message is to be sent and the most effective means of reaching that target audience.
D. Communication--deliver the message to the public concerned.
E. External research--evaluate the extent to which the message has been received, the effect it has had, and the nature of the public's reaction.

XIV. Community relations techniques:

A. Contributions and fund drives. The budget should include provision for charitable contributions and civic projects. Personal time in the form of campaign leadership can also further community relations.
B. Civic improvements. Involvement in community educational or recreational facilities, service clubs, etc., give wide exposure to a company.
C. Speaker's bureau. Another good way of reaching the public is by having available several company officials who are willing to speak to local clubs, societies, and civic groups.
D. Advertising. A company can use advertising to sell a point of view as well as to sell merchandise.
E. Community open house. Inviting neighbors to see personally the people and machines that make up the organization can be a most successful public relations tool.
F. Plant tours for special groups. Such visits may give the company the opportunity to explain its operations or present its viewpoint directly to influential community citizens.
G. Publicity and press relations. A simple measure of how well a company is known in its home city is the frequency with which its name appears in the local newspapers or on the local TV or radio stations. A management official should be readily available to the press and should take the initiative in sending them newsworthy items.
H. Cooperation with schools. Assistance in vocational education programs and provision of scholarships are some of the ways a company can foster community relations through the schools.
I. Basis of good consumer relationships:

1. Product value. Company reputation depends upon product features, design, sound performance, and adequate supply conveniently available at fair prices.
2. Service values. A sound guarantee, accessible service from trained personnel, regular maintenance, and reliable parts at fair prices create consumer satisfaction.

XV. Tips for the new manager:

A. Don't become power-happy. Sudden authority has a strange way of inflating feelings of self-importance. Build good relationships with employees instead of antagonizing them with a show of power.

B. Don't become overwhelmed by the new job. Paperwork, deadlines, meetings, and unanticipated problems may cause frustration and inner pressures.

C. Don't neglect employees. The temptation to please management by increasing productivity may cause decreased sensitivity to people in the department and their problems. This would be a serious mistake. Despite pressing new responsibilities, it is important to take time to make personal, positive contacts with each employee in the department.

D. Don't make changes too quickly. Sudden changes that they don't understand scare many people. Unless management demands immediate changes, it is better to get used to the way the department operates before introducing major innovations. Work toward developing a better understanding of the problems and potentials of the department.

E. Watch the "up" side--protect the "down" side. Naturally satisfying superiors is essential. In doing so, however, be sure to protect those who work in your department. The supervisor should act as a buffer and keep a smoothly operating, productive department.

F. Don't be intimidated by previous relationships. Friends might try to capitalize on previous personal relationships and this should not be permitted to happen. If social relationships with subordinates interfere with work effectiveness, something must be changed. The first responsibility of a supervisor is to keep all relationships with employees fair and equal. Violating this principle will destroy respect and confidence.

G. Save some planning time. The tensions and uncertainty of being a new manager may cause you to try to operate without a plan. Do not let this happen. Take the time to think and plan. Evaluate yourself and your performance on a day-to-day basis. If you cannot find any time for planning while you are on the job, do it at home.

H. Let your employees help you. Some of the employees may know more about the department than the new manager does. Take advantage of this situation. Ask their advice and accept it. Involve them in as many decisions as possible.

I. Be patient with yourself. Your desire to succeed may cause you to be your own worst enemy. You may try too many innovations; you may set too many goals; you may expect results too soon. Try taking the long view. Whatever you do, do it as well as possible. Build sound and lasting relationships.

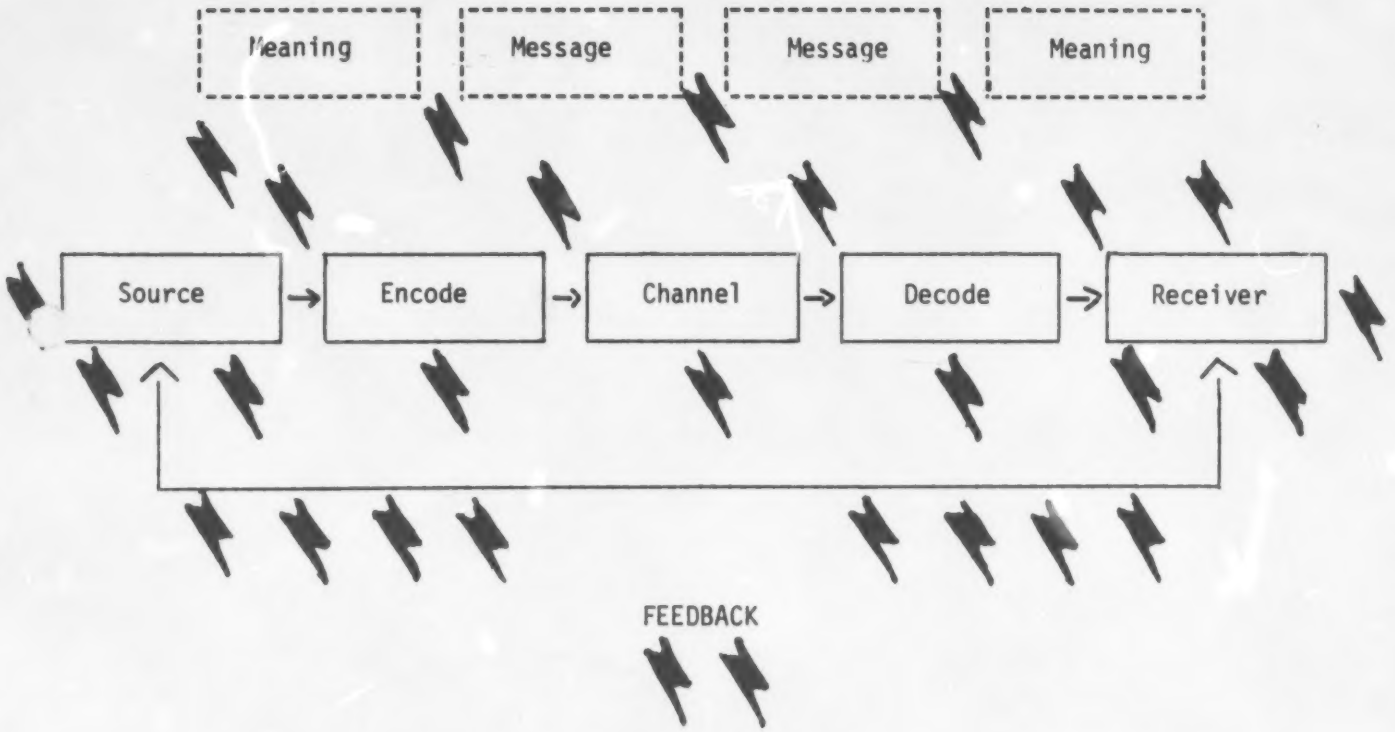
J. Impact on home and family. Make allowances for new home tensions caused by longer work hours, more evening meetings or out-of-town trips, and the stress of the first weeks on the new job. New status and increased earnings may also cause a home impact.

BUSINESS AND INDUSTRIAL SUPERVISORS
LINES OF COMMUNICATION
UNIT III

TRANSPARENCY MASTER #1

THE COMMUNICATION PROCESS

Idea
Thought
Need
Information

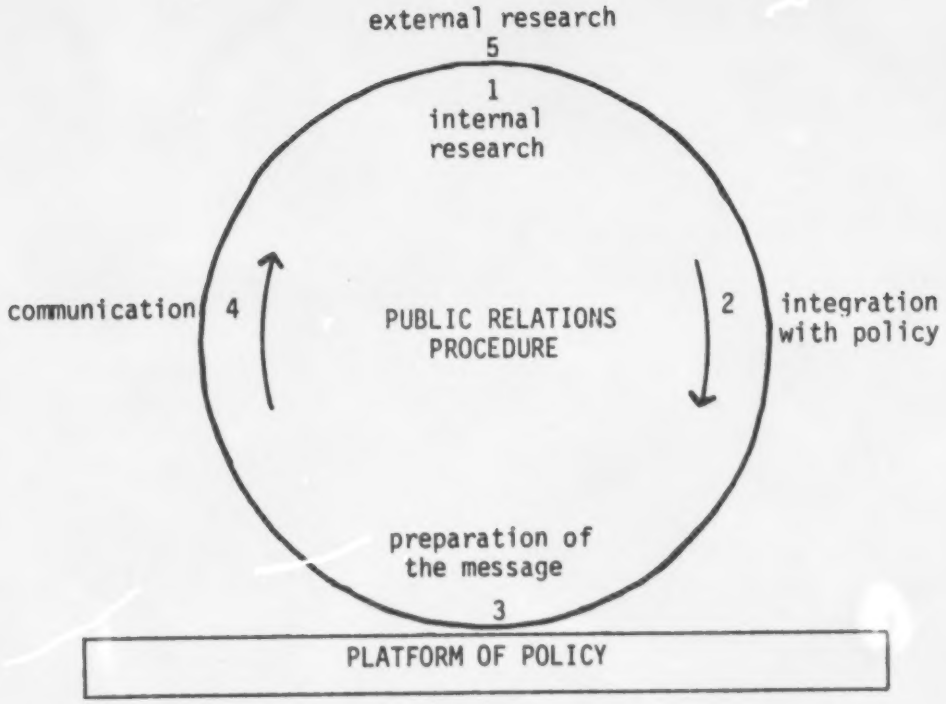


The process of human communication involves the transfer of meaning through the encoding of a message by a source who sends it through a channel to a receiver. The receiver decodes the message and provides feedback for the original source. The small lightning bolts represent noise, which is present at all stages of the communication process.

Source: Newport, M. Gene (ed.) Supervisory Management: Tools and Techniques. St. Paul: West Publishing Co., 1976, p. 158.

BUSINESS AND INDUSTRIAL SUPERVISORS
LINES OF COMMUNICATION
UNIT III

TRANSPARENCY MASTER #2



In the light of the effect indicated by external research, there is always the constant likelihood that more internal research will be needed, and thus the circle continues. A circle never ends, nor does the public relations of a living organization.

This simple diagram should make it clear that public relations cannot be equated with communications, which forms part, but not all, of the process.

Source: Stephenson, Howard (ed.) Handbook of Public Relations. New York: McGraw-Hill, 1971, p. 19.

BUSINESS AND INDUSTRIAL SUPERVISORS
LINES OF COMMUNICATION
UNIT III

ASSIGNMENT SHEET #1

Take this self-quiz and evaluate your communication effectiveness:

In carrying out communication, do you:

	Yes	No	Don't know
1. Determine the precise purposes of the communication; do you have something to say?	____	____	____
2. Include your objectives in your message; no bias or prejudice is included?	____	____	____
3. Evaluate the types and amount of information required to reach your objective?	____	____	____
4. Give your communication clarity; is it briefly and simply stated?	____	____	____
5. Select the words and language needed to meet requirements of the situation and the receiver?	____	____	____
6. Employ gestures, drawings, and visual effects to aid in conveying your message?	____	____	____
7. Encourage feedback so that truly two-way communication is present?	____	____	____
8. Make it easy for the receiver to ask questions?	____	____	____
9. Create the correct mood, attitude, and impression for the reaction you want?	____	____	____
10. Strive to understand what the receiver's reply really meant?	____	____	____
11. Listen and "hear the receiver out," even though you anticipate what will be said. Did you cut the discussion short assuming the receiver would say or do the right thing?	____	____	____
12. Provide the receiver a definite course, action, or belief to follow as a result of the communication?	____	____	____
13. Find yourself falling asleep when listening to a speech, even though you're sitting upright and paying attention?	____	____	____

	Yes	No	Don't know
14. Find that you get quickly bored and lose interest when a person talks in a dull voice or in an unfamiliar accent?	____	____	____
15. Listen only for facts?	____	____	____
16. Let your mind wander and daydream when you should be listening?	____	____	____
17. Read things that are easy to read and avoid difficult readings; "turn off" television programs or speakers who are "over your head?"	____	____	____
18. When listening to someone make a presentation, make an outline (either in your head or by taking notes)?	____	____	____

Source: Preston, Paul. Management for Supervisors. Englewood Cliffs: Prentice-Hall, 1978.

BUSINESS AND INDUSTRIAL SUPERVISORS
LINES OF COMMUNICATION
UNIT III

ASSIGNMENT SHEET #2

Read the following case study and answer the questions:

THE BUS BARN

Bob Washington was upset and was looking for Ed Graham. Ed is the supervisor of the maintenance yard of the Tri-County Bus Lines, and Bob is the senior mechanic on the day shift. Both men have been with the company for about 20 years, and they are social as well as on-the-job friends. However, that friendship was not much in evidence as Bob stormed into Ed's office.

"Ed, what's this nonsense about having to take next Friday off and with no pay? It doesn't sound fair at all, especially with all the time I've put in on the job for this outfit. I think some consideration should be given to us hourly guys. You supervisors get your pay, no matter how many days you work, but in the trenches we only get paid when we work, and it looks like Friday we don't!"

Ed was surprised at Bob's information. He'd heard nothing about any Friday layoff, although the top management did discuss the possibility of cutting back some of the hours in the maintenance area because of the general economic slowdown. But, to the best of Ed's knowledge, nothing was ever decided, and surely Bob knew that Ed would square with him if a decision was reached.

Ed called Jerry Browne, the operations manager, and asked him about Washington's allegation. Browne assured Ed that this was not the case, and that Washington must have heard an unfounded rumor.

Just as Ed was planning to leave for the day, he got a call from Jerry Browne. Browne just received a note from the top management instructing him to post a notice that all hourly workers were to be given Fridays off without pay for an indefinite period. This move was necessary because of declining profits and increased competition from another bus line. The notice went on to state that supervisory and office personnel and the drivers were not affected by this move "at this time."

Jerry Browne apologized to Ed for apparently misleading him this morning. "This is the first I knew about it," Jerry protested.

Ed slammed down the phone and quickly dialed his friend Bob. As the phone rang, Ed began to think. "Just what can I say, after my assurances this afternoon?"

1. Is this problem a common one for supervisors?
2. How would you evaluate the communication system in the company?
3. What can Ed say to Bob?

Source: Terry, George R. Supervision. Homewood: Richard D. Irwin, 1978.

BUSINESS AND INDUSTRIAL SUPERVISORS
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UNIT III

ASSIGNMENT SHEET #3

Read the following situation:

Supervisor Joe has taken a deep look at himself and his department and has decided he must delegate more to his employees for the following reasons: (1) He has been working fifty hours a week instead of forty. (2) The pressure of trying to get everything done has put him on edge with some of the staff. (3) He has not been sleeping well because of worry. Last night he spent three hours formulating a list of responsibilities he might delegate to his five employees. The list is as follows:

1. A weekly report that takes fifty minutes to prepare. This report could easily be delegated to Mrs. R., but it would reveal certain departmental figures that have not been revealed to employees in the past. There is nothing secret about the data, but Joe feels he might lose control if everybody knows what goes on.

2. A weekly fun job that Joe has always enjoyed doing. Miss Q. would love to do the job (she would probably do it better than Joe), but Joe wants to keep it because it keeps him closer to his employees and facilitates communication. This job usually takes about one hour.

3. A very routine weekly stock or supply room count that takes an hour and a half. Joe has delegated this job before, but he always winds up taking it back because the grumbling from the employee disturbs him more than doing the job himself. Besides, sometimes the count is wrong and he ends up doing the job himself anyway.

4. A very short (fifteen-minute) telephone call every day at 4:00 p.m. to get some data to the computer center. Joe has refused to delegate this because if it is not done accurately he will be reprimanded by Mr. Big. Mr. K. would be able to do the job and not be overloaded.

5. A daily (ten-minute) delivery job of a special report to top management. Joe has kept this to do himself because it gives him a chance to have a cup of coffee and he can play a little politics with middle (and sometimes) top management executives.

6. A special routine meeting each month which many supervisors already delegate to a subordinate. It would be excellent training for Mr. G. to have this assignment. Joe has kept it to himself, however, because he is afraid that something will happen at the meeting that he won't know about.

Now decide which things Joe should delegate. Give reasons for your choices.

Source: Chapman, Elwood N. Supervisor's Survival Kit. 2nd ed. Chicago: Science Research Assoc., 1975.

BUSINESS AND INDUSTRIAL SUPERVISORS
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UNIT III

ASSIGNMENT SHEET #4

PUBLIC OPINION FORMATION

Hodges Paper Corporation

Read the following case study and decide what can be done to correct the problem situation:

The Hodges Paper Corporation, Chicago, Illinois, manufactures and distributes annually $300 million worth of shipping containers, paper, and fiberboard. Eight mills are located in six states in the United States, in addition to mills in England, France, and Italy. More than 10,000 men and women are employed by the corporation in its domestic and foreign plants and sales offices.

The public relations of the corporation is administered by a headquarters staff of 30, organized in five sections: advertising, publicity, community relations, photography, and research and statistics. Each section is headed by a manager who is responsible to the vice president in charge of public relations.

In the eight communities in the United States where Hodges' mills are located, the corporation, in common with other paper producers, is confronted with two public relations problems, air pollution and stream pollution. One Hodges mill, located in a Virginia community of 60,000, disposed of its waste in a river that runs through the city. Public opinion in the community was highly critical of the company for contaminating the local water supply.

The corporation recognized that it had an obligation and a responsibility to the community, as well as to its 2,000 employees living in the area, to correct the difficulty. Accordingly, Hodges invested more than $3 million in installing a waste-recovery process, but in so doing created an unforeseen air-pollution problem of community wide magnitude.

When the waste-recovery plant began operation, the odor from the mill became more noticeable in the community because it was changed in character by the new recovery process. The mill odor overrode most other community odors, and when the numerous community odors mingled, the paper-mill odor was the most distinguishable.

Many people in the mill community believed that Hodges was wholly to blame for the community's air-pollution problem. Public opinion was highly critical of the company and expressed it in angry telephone calls, threatening letters, and other forms of harassment. The editorial columns of the daily papers condemned the company for the offensive odors that polluted the air.

The city in which the mill is located has had a long-standing odor and smog problem. The area is plagued with frequent air inversions. A concentration of industry in the river valley in which the city is situated aggravates the difficulty. The management of the Hodges mill recognizes that the company is involved in the air-pollution problem and should take some action to solve the difficulty.

What can the Hodges organization do to improve community relations?

Source: Canfield, Bertrand R. Public Relations. 5th ed. Homewood: Richard D. Irwin, 1968.

BUSINESS AND INDUSTRIAL SUPERVISORS
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REVIEW SHEET

Check what you have learned about communications, delegation, public relations, and the role of the new manager, by completing the review sheet below. Then check your answers with the information sheet materials. If you get all fifteen items right, you're doing a terrific job. Twelve right is very good; ten right is fair; and if you got eight or less right you need some review on the principles.

I. Match the following terms and definitions:

_____ A. Communication	1. A process by which supervisors entrust certain employees with with the accomplishment of specific work objectives.
_____ B. Delegation	2. The management function which evaluates public attitudes, identifies the policies and procedures of the organization with the public interest, and executes a program of action to earn public understanding and acceptance.
_____ C. Public relations	3. The transmission and reception of a message that travels between two or more persons.

2. List the three forms of communication.

   a.

   b.

   c.

3. Describe the communication process.

4. List at least seven barriers to communication.

   a.

   b.

   c.

   d.

   e.

   f.

   g.

5. Describe the skill of effective listening.

6. List five reasons why managers should delegate.

   a.

   b.

   c.

   d.

   e.

7. List five reasons why managers fail to delegate.

   a.

   b.

   c.

   d.

   e.

8. Discuss six delegation techniques.

   a.

   b.

   c.

   d.

   e.

   f.

9. Discuss the situations when delegation will not work.

   a.

   b.

10. List seven guidelines for giving instructions.

   a.

   b.

   c.

   d.

   e.

   f.

   g.

11. List five suggestions for holding effective employee meetings.

   a.

   b.

   c.

   d.

   e.

12. Name three components in achieving the goal of public relations.

    a.

    b.

    c.

13. Diagram the public relations procedure.

14. Discuss at least seven community relations techniques.

    a.

    b.

    c.

    d.

    e.

    f.

    g.

15. Discuss at least seven tips for the new manager.

    a.

    b.

    c.

d.

e.

f.

g.

BUSINESS AND INDUSTRIAL SUPERVISORS
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UNIT IV

UNIT OBJECTIVES

This unit will give the manager in business or industry an opportunity to increase management skills in regard to motivation, change, personnel management, conflict, and stress management. In studying the five topics, specific techniques for each will be presented as well as opportunities to participate in actual practice activities.

SPECIFIC OBJECTIVES

Upon completion of this unit, the participant should be able to:

1. Match definitions with the following terms: conflict, motivation, stress.
2. Compare and contrast the theories of motivation formulated by Maslow and by Herzberg.
3. Discuss the four factors affecting motivation.
4. List at least seven motivational devices managers may use.
5. Discuss three aspects involved in dealing with change.
6. List six tips on implementing change.
7. List at least seven indications that an employee is having a problem and the three sources of employee problems.
8. Discuss the three typical employee problems and how each might be dealt with.
9. List the five R's of counseling employees.
10. Discuss three reasons for conflict and five ways in which people respond to conflict.
11. Discuss five advantages and three disadvantages of conflict.
12. List the four ways managers can help resolve employee conflicts.
13. List at least five causes of stress among executives.
14. Describe the Type A and Type B personality characteristics.
15. Discuss at least five steps for controlling stress.

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SUGGESTED ACTIVITIES

I. Instructor:

A. Provide participants with objective sheet.
B. Provide participants with information and assignment sheets.
C. Discuss unit and specific objectives.
D. Discuss information and assignment sheets.
E. Discuss review sheets.

II. Participant:

A. Read objectives.
B. Study information sheets.
C. Complete assignment sheets.
D. Check that you can achieve each specific learning objective.
E. Complete and check review sheets.

INSTRUCTIONAL MATERIALS

I. Included in this unit:

A. Objectives
B. Information sheets
C. Transparency masters:

1. Maslow's priority of human needs
2. Herzberg's hygiene factors and motivators
3. Comparison of Maslow and Herzberg
4. How supervisors and workers rated ten job conditions
5. Suggested motivators
6. Resistance to change
7. Employee problems
8. Ways of handling conflict

D. Assignment sheets:

1. Motivation case study
2. Change self-quiz
3. Employee problem case study
4. Conflict case study
5. Change scale
6. Type A - Type B test

E. Review sheets

II. References:

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C. Carlisle, Howard M. Management: Concepts and Situations. Chicago: Science Research Association, 1976. (B,D)

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T. Tubesing, Donald A. Stress Skills. Minneapolis: Whole Person Associates, 1979. (E)

U. Weiss, Alan. "Conflict--It's What You Make It," Supervisory Management, June, 1974. (D)

REFERENCE CODE:

A--motivation
B--change
C--personnel management
D--conflict
E--stress management

BUSINESS AND INDUSTRIAL SUPERVISORS
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INFORMATION SHEET

I. Terms and definitions:

A. Conflict--Disagreement between two or more parties resulting from an incompatability of facts, methods, goals, or values.
B. Motivation--The act of stimulating someone to take a desired course of action.
C. Stress--Tension as a reaction to pressure; can be constructive (as a spur to achievement) or destructive (as a contributor to physical and mental breakdown).

II. Theories of motivation:

A. Maslow's hierarchy of human needs illustrates that people are motivated by a desire to satisfy primary needs, first of all; then, when basic needs are met, motivation comes from satisfaction of higher-level needs. The hierarchy includes: (transparency)

1. Physiological needs--the biological basics of food, shelter, rest, other physical necessities; for most workers, the paycheck enables the individual to purchase necessities.
2. Safety needs--protection against danger and threat from the uncertainties of life; group insurance plans, for example, help offer security.
3. Social needs--being part of a group, accepted and respected by peers.
4. Esteem needs--self-respect, recognition, achievement, status, and a sense of accomplishment which may be satisfied by meaningful work experiences.
5. Self-realization--the need for fulfillment of basic capabilities and potentialities, for being fully creative and fully occupied in doing a chosen task to the limit of capacity.

B. Herzberg's motivation-hygiene theory states that some aspects of the work situation (hygiene factors) merely keep employees from being dissatisfied rather than stimulating greater employee effort. Other factors (motivators) do create a supportive climate that encourages employee productivity and satisfaction. (transparency)

1. Hygiene factors:

a. Working conditions.
b. Money, status, security.
c. Interpersonal relationships
d. Supervision (technical competence of boss).
e. Company policies and administration.

2. Motivators:

a. Recognition, achievement.
b. Money (in some situations and to a certain degree only).

c. Challenging work.
d. Responsibility for work.
e. Opportunity for growth and advancement.

C. Maslow's theory and Herzberg's theory are complementary. (transparency)

III. Factors affecting motivation:

A. The person doing the motivating. Dynamic personality is often considered a positive force in motivating others, but greater emphasis should be placed on ability to identify and sincere desire to satisfy the other's needs.
B. The persons being motivated. Such individual factors as education, age, marital status, financial status, health, beliefs, etc., affect the potential for motivation within a person.
C. The devices of motivation. Whether financial or nonfinancial, abstract or concrete, immediate or future, motivators must be carefully chosen and used. Employees and supervisors may not place the same value on particular motivators. (transparency)
D. The environment. Company history, management attitudes, and community economic conditions are all examples of environmental factors that affect motivation.

IV. Some effective motivational devices managers may use: (transparency)

A. Job enrichment--making work more interesting by expanding the scope of the job, adding variety of responsibilities, challenge, and a sense of accomplishment.
B. Management by objectives--employee determination of individual work goals and means of achieving those goals.
C. Job rotation--movement of personnel from one job assignment to another on a regular, orderly basis to increase work experiences and interest.
D. Participation--building employee pride and teamwork through management seeking advice, suggestions, and information from employees concerning ways in which work should be performed and problems should be solved.
E. Positive criticism--giving specific suggestions for improvement in a positive, supportive format.
F. Rewards and personal recognition given on the basis of performance.
G. Personal loyalty demonstrated by management for employees.
H. Communication--full information given to employees of company plans and open reception of employee grievances, problems, and concerns.
I. Elimination of dissatisfiers such as inequitable pay, unsatisfactory physical environment working conditions, etc.

V. Dealing with change involves:

A. The manager's responsibilities:

1. Implementing company changes and helping employees adapt.
2. Initiating ideas and generating changes for organizational improvement.

B. Individual responses to change, which depend upon:

1. The extent of the information s/he has received about the change.
2. The extent of participation s/he has had in making the decision for change and in actual implementation of the change.
3. The amount of trust s/he has in the initiator of the change.
4. Previous experiences with change.

C. Possible resistance to the change because of: (transparency)

1. Economic causes--a fear of possible reduction in pay or unemployment, reduction of status, recognition, or satisfaction.
2. Social causes--disruption of the work environment, fear of new social relationships.
3. Psychological causes--fear of failing at the new task, loss of security, belief that criticism of previous methods is implied in the change.

VI. Tips on implementing change:

A. Make certain that employees understand the situation that makes a change necessary. If they can perceive its necessity, they are more likely to make an effort to adjust.
B. Disturb as little as possible the existing customs and informal relationships.
C. Provide information about the change in advance. Such information can include the reasons necessitating the change, its nature, timing, and impact upon the organization and the people in it.
D. Encourage employee participation in the implementation (as well as the formation) of changes.
E. Provide for means of releasing tensions resulting from the introduction of change. Let employees ask questions and air complaints.
F. Follow-up and evaluate the change. This provides feedback which can lead to corrections where necessary or can strengthen the conviction that the change was wise--or it can create the recognition that further change is necessary.

VII. Employee problems:

A. Indications that an employee is having a problem:

1. Exhibits marked reduction in interest or effort.
2. Becomes unusually critical of others or of self.
3. Becomes overly sensitive or defensive.
4. Becomes ill-tempered, irritable.
5. Becomes inattentive, preoccupied.
6. Begins to have difficulty in expressing thoughts.
7. Becomes unusually quiet or reclusive.
8. Increased accidents.
9. Increased fatigue.

B. Sources of employee problems: (transparency)

1. Within the individual--problems such as poor peer relationships, lack of job satisfaction, physical or mental illnesses.
2. Within the organization--job insecurity, unsatisfactory working conditions, poor supervision.
3. Outside the organization--family difficulties, personal problems, conflicts with other social institutions.

VIII. Typical problems:

A. Absenteeism and tardiness:

1. Common causes of absenteeism and tardiness:

a. A worker's job does not challenge him/her enough to warrant his/her dedication, promptness, and steady attendance.
b. A worker doesn't get along with others in his/her work group or his/her supervisor.
c. A worker has a serious transportation problem getting to and from work.
d. A worker has problems at home, such as child care difficulties or illness of family members.
e. The worker feels that absence won't really affect the work flow of others in the unit nor contribute to the final product or service.

2. Dealing with the problem:

a. Identify the steady offender and investigate the underlying causes of the problem.
b. Restructure the work activities through job rotation or job enlargement to make work more interesting.
c. Improve the work environment to improve morale.
d. Develop a policy of flexibility and understanding regarding personal business if planned adequately in advance.
e. Communicate to the employee his/her responsibility and necessity to the team effort.
f. If necessary, discipline.

B. Alcoholism:

1. Symptoms:

a. Decreased efficiency and productivity.
b. Increased absenteeism spread throughout the week and frequent partial absenteeism.
c. Physical indications such as slow reactions, hand tremors, bloodshot eyes, changes in speech, decline of appetite, excessive thirst, and aroma of alcohol on breath.
d. Sudden outbursts of anger, sullen silence, suspicion and distrust of associates, resentment of criticism, and a tendency to stay on the job.

2. Dealing with the problem:

   a. Recognize early symptoms.
   b. Gain his/her confidence, provide security, and help him/her talk out problems.
   c. Motivate him/her to seek help, refer him/her to company doctor available community resources such as A.A.

C. Drug use:

1. Symptoms:

   a. Decreased productivity and efficiency.
   b. Mood fluctuations.
   c. Tardiness, absenteeism, and requests to leave early.
   d. Forgetfulness, indifference to deadlines and safety.
   e. Theft of company property.

2. Dealing with the problem:

   a. Detect drug addiction.
   b. Prevent usage or sale on company property.
   c. Refer to a doctor.

IX. In counseling employees, remember the five R's:

A. Right purpose--counseling is not to be used to pry into employees' lives, but rather to strengthen, maintain, or restore the working relationship and the employee's effectiveness.
B. Right time--counseling is a sensitive process and should be done only when it is necessary and when both parties are willing to openly communicate.
C. Right place--counseling should be done in privacy, away from distractions, and in confidence.
D. Right approach--supervisor should take a nondirective approach and allow the employee to do most of the talking, rather than "giving the solutions" to employee problems.
E. Right techniques--the supervisor should follow these principles of interviewing:

   1. Listen patiently to what the employee has to say.
   2. Refrain from criticizing or offering hasty advice.
   3. Never argue with an employee while you are counseling.
   4. Give your undivided attention to the employee.
   5. Look beyond the mere words of what the employee says--listen to see if s/he's trying to tell you something deeper that what appears on the surface.

X. Conflict is a complex emotional response to a stressful situation:

A. Reasons for conflict:

1. Informational differences. The parties may have been exposed to different information and thus arrived at a different understanding of the issue and of what course of action makes the most sense.

2. Perceptual differences. Although the parties have been exposed to the same data, their past experiences may cause them to interpret it in different ways.
3. Role differences. People's situations or roles may cause them to take opposing positions.

B. Ways in which people may respond to conflict: (transparency)

1. Competing--going all out to win your objective at the other's expense; in using this mode it is essential that you know clearly what you want, why it is important, how you plan to "win", and what might happen to the other party.
2. Accommodating--neglecting your concerns to let the other party achieve what is important to him/her; sometimes this may be an indication that preserving a relationship is more important than winning a particular point.
3. Avoiding--abandoning the confrontation issue when there seems to be little chance of satisfactory resolution; used when the timing is wrong or issue isn't really critical.
4. Compromising--settling for "half a loaf" rather than risking an all-out win-lose struggle; may make sense, for example, when there is a limited budget and several projects require funding.
5. Collaborating--a mutual problem-solving process where each party accepts the other's goals and they work together to achieve the best for both; rather than a pie-dividing technique, it is pie-stretching maneuver.

XI. Conflict can produce benefits as well as problems.

A. Advantages of conflict:

1. Conflict can lead to change. A dissatisfaction which leads to conflict may progress to change and adaptation of an improved course of action.
2. Conflict creates energy and activity. Competition is a form of conflict and many people perform better in competitive, pressure situations.
3. Conflict stimulates interest, curiosity, and ideas. Challenging proposals and plans normally leads to consideration of alternatives and more effective decisions.
4. External conflict results in internal group cohesion. A common outside threat can increase organizational commitment and cooperation.
5. Conflict can result in a reduction of tension. Bringing irritants into the open often makes it possible for differences to be resolved and interactions improved.

B. Disadvantages of conflict:

1. Extreme conflict can result in instability and chaos. Hostility develops between parties, and thoughts and actions center on negatives.

2. Conflict destroys cooperation and disrupts the flow of activity. Opposing factions within an organization tend to focus attention on the dispute rather than on the tasks necessary to achieve organizational purposes.
3. Extreme conflict reduces reliance on reason and evokes emotional behavior. Suspicion and a lack of trust lead to concealment of activities, restricted communication, and distorted perceptions and relationships.

XII. How managers can help resolve employee conflicts:

A. Arbitration--a third party, such as the manager himself, makes a decision which both parties must agree to respect and to implement. The supervisor, however, must be careful not to choose sides without providing reasons for the decision, or conflict will simply be escalated.
B. Negotiation--both parties meet to confront the problem and bargain until both are satisfied with the compromise reached.
C. Establish objectives--many times both parties can agree on a goal to be achieved even if they disagree violently on the methods to be used in reaching that goal.
D. Examine the management system--a lack of knowledge, inadequate communication, unfair treatment of employees, etc., will cause conflict. It is the manager's responsibility to:

1. Review past actions, clarify the issues, attempt to discover the underlying causes of the conflict.
2. Encourage employees to communicate freely and not hold back grievances.
3. Prevent employees from attacking the opponent's sensitive spots that have nothing to do with the issues of the conflict.
4. Keep discussions on specific issues; discourage aimless arguing.
5. Follow up to be sure agreed upon resolution is being implemented and is handling the problem satisfactorily.

XIII. Causes of stress among executives:

A. Inability to cope with sudden change.
B. Failure to accept thwarted ambitions.
C. Promotion to jobs above capacity.
D. Declining ability, fear about retirement.
E. Violent personality clashes with close colleagues.
F. Conflict between home life and work.
G. Lack of well-defined responsibilities.
H. Responsibility without authority.

XIV. Some personalities, called Type A, are more susceptible to stress-associated diseases as a result of role overload. In contrast, Type B behaviors result in far fewer stress-related physical problems.

A. Type A characteristics:

1. Excessive drive, ambition.
2. Aggressiveness.

3. Involvement in competitive activities.
4. Frequent deadlines and pressure for productivity.
5. Strong sense of time urgency.

B. Type B characteristics:

1. Relaxed and easy-going, seldom impatient or irritable.
2. Takes time to enjoy avocational pursuits.
3. Works steadily.
4. Not concerned with social achievement.
5. Basically non-competitive.

XV. Steps for controlling stress:

A. Know yourself and your personal reactions to stress. Be aware of physical and mental symptoms of growing stress and be careful of over-reaction to stressful situations.
B. Practice sound administrative principles. Realize that managerial decisions cannot please everyone and life is filled with conflicts. Take a rational, organized approach toward solving such problems.
C. Follow a daily routine of periodic, complete separation from the job. Use coffee breaks or lunch periods to block out work problems for a short time.
D. Verbalize problems to a trusted confidant when necessary. Talking about a problem often broadens perspectives and unburdens the mind so that it can arrive at a sensible course of action.
E. Adopt a daily routine of moderate exercise. Physical activity can get the manager away from the stressful environment and also condition the body's stress-adaptation mechanisms.
F. Maintain proper diet and eating habits.
G. Have periodic medical examinations to alleviate health fears.

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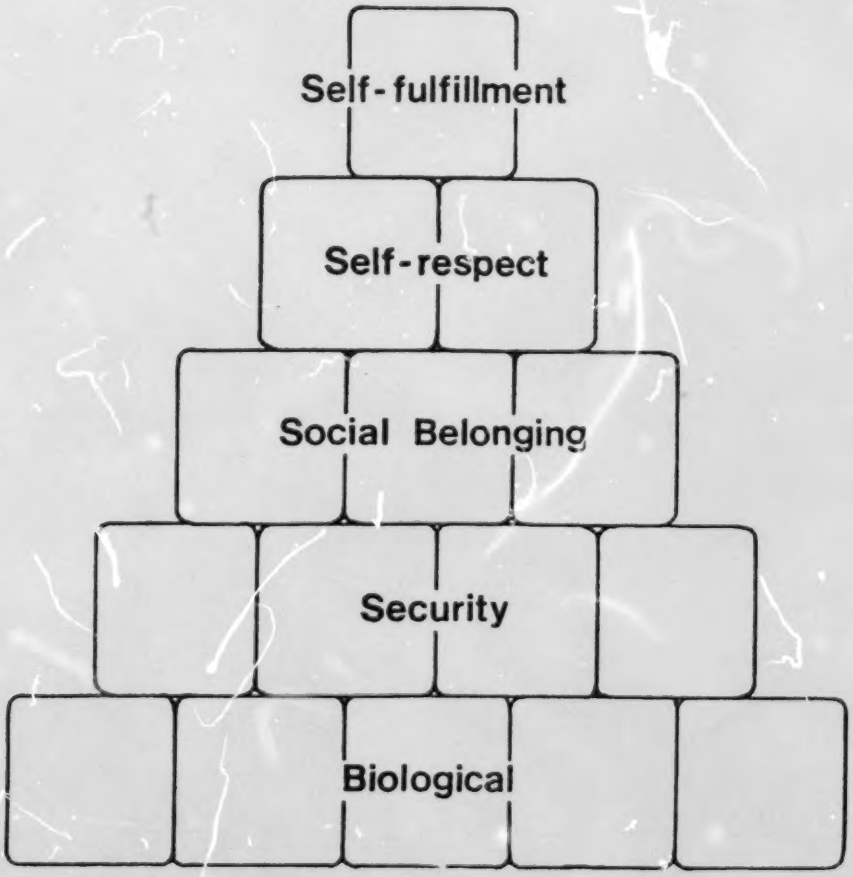
UNIT IV

TRANSPARENCY MASTER #1

ORDER OF PRIORITY OF HUMAN NEEDS



Source: Haimann, Theo. Supervision: Concepts and Practices of Management Cincinnati: South-Western Publishing Co., 1977, p. 56.

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TRANSPARENCY MASTER #2

HERZBERG'S MOTIVATION THEORY

HYGIENE FACTORS	MOTIVATORS
Working Conditions	Recognition
Money, Status, Security	Opportunity for Advancement
Interpersonal Relationships	Challenging Work
Supervision	Responsibility for Work
Company Policies and Administration	Opportunity for Growth and Advancement

Source: Preston, Paul. Management for Supervisors. Englewood Cliffs: Prentice-Hall, 1978, p. 197.

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TRANSPARENCY MASTER #3

MASLOW	HERZBERG
Physiological	Money
Security	Security, Working Conditions
Social	Status, Interpersonal Relationships, Supervision, Company Policies, and Administration
Esteem	Recognition, Challenging Work, Responsibility for Work, Opportunity for Growth, Advancement, and Development
Self-Actualization	

Source: Preston, Paul. Management for Supervisors. Englewood Cliffs: Prentice-Hall, 1978, p. 198.

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TRANSPARENCY MASTER #4

HOW SUPERVISORS AND WORKERS RATED TEN JOB CONDITIONS

Job Conditions	Workers' Rating	Supervisors' Rating
Full appreciation for work done	1st	8th
Feeling "in" on things	2nd	10th
Sympathetic understanding of personal problems	3rd	9th
Job security	4th	2nd
Good wages	5th	1st
Interesting work	6th	5th
Promotion and growth with company	7th	3rd
Management loyalty to workers	8th	6th
Good working conditions	9th	4th
Tactful disciplining	10th	7th

Source: Haimann, Theo. Supervision: Concepts and Practices of Management. Cincinnati: South-Western Publishing Co., 1977, p. 64.

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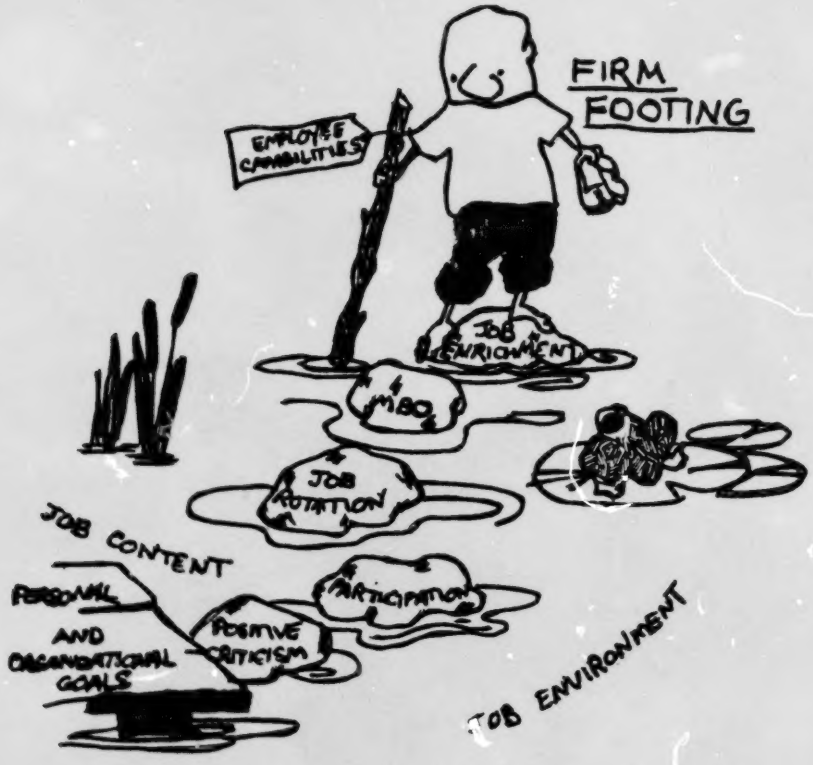
TRANSPARENCY MASTER #5



Source, Terry, George R. Supervision. Homewood: Richard D. Irwin, 1978, p. 239.

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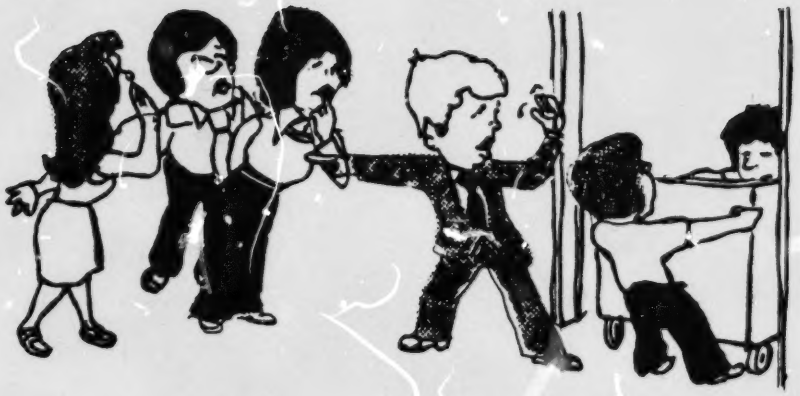
TRANSPARENCY MASTER #6



Many people fear change because they cannot assess or predict what the change will mean in terms of their own position, activity, and ability.

Source: Haimann, Theo. Supervision: Concepts and Practices of Management. Cincinnati: South-Western Publishing Co., 1977, p. 258.

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TRANSPARENCY MASTER #7

Problem	Employee	Factors that are hidden causes of problem

An employee problem usually reflects and results from hidden causes related intimately to the employee.

Source: Terry, George R. Supervision. Homewood: Richard D. Irwin, 1978, p. 317.

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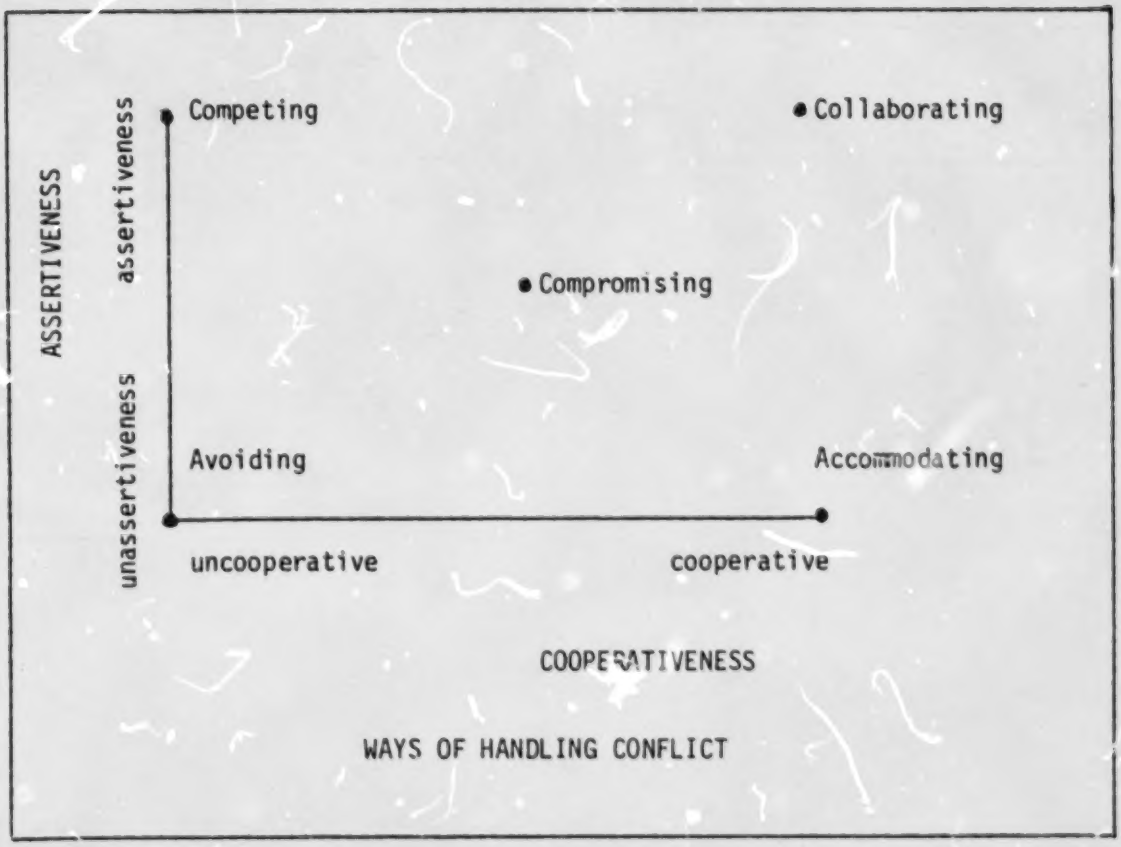
TRANSPARENCY MASTER #8



Source: Schmidt, Warren H. "Conflict: A Powerful Process for (Good or Bad) Change," Management Review, January, 1975, P. 125.

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ASSIGNMENT SHEET #1

Read the following case study and answer the questions:

THE REAL WORLD

"Recognition? You gotta be kidding. Why, my truckers are the best paid in the area. They're not here long enough to get any recognition. If they're not on the road hauling their rigs and making dough, they're in some bar getting rid of it as fast as they can spend it. Recognition and motivation is just a lot of hooey. I drove trucks in my day, and we did it for cold, hard cash. You don't baby trucking people. You pay 'em and leave 'em alone!

"My management philosophy? It's simple. It's based on the facts of life. I hire the best men in this area, and I pay 'em top dollar. I'm not about to waste my time and energy worrying about theory nonsense some professor spouts off. Those guys just never met truckers."

1. Do you agree with this philosophy?
2. Is it a realistic viewpoint?
3. Are there viewpoints this supervisor is overlooking? Do people want only money?

Source: Preston, Paul. Management for Supervisors. Englewood Cliffs: Prentice-Hall, 1978.

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ASSIGNMENT SHEET #2

ACTION EXERCISE FOR DEALING WITH CHANGE AND PERSONAL OBSOLESCENCE

Checking your DWQ[1]

Self-tests can be useful indicators of areas in your personal activities or in your professional behavior that might indicate potential difficulties. This test is designed to indicate some signals of getting into "deep water." Answer the following questions as they apply to you, score yourself, and use the table below the test as an indicator.

1. I am disorganized. I jump, often without warning, from one job to another. I begin jobs in the middle and often have more than two jobs going on in my head at the same time.
   This describes me:
   1. perfectly___ 2. usually___ 3. occasionally___ 4. seldom___
   5. never___

2. I have a good imagination. I am able to think creatively, and I enjoy stretching my mind to its limits and considering broad horizons.
   This describes me:
   1. perfectly___ 2. usually___ 3. occasionally___ 4. seldom___
   5. never___

3. I fly into rages. I fail to control my emotions. I insult my subordinates and intimidate my superiors.
   This describes me:
   1. perfectly___ 2. usually___ 3. occasionally___ 4. seldom___
   5. never___

4. I have a good appreciation of the value of team spirit. I encourage my people to take charge, and accept criticism well. Helpers or suggestions don't threaten me.
   This describes me:
   1. perfectly___ 2. usually___ 3. occasionally___ 4. seldom___
   5. never___

5. I pass the blame for mistakes or the authority for decisions to other people. I either can't (or won't) accept the responsibility for the actions of others in my department, and I try to avoid even a casual involvement in things that might be potential problems.
   This describes me:
   1. perfectly___ 2. usually___ 3. occasionally___ 4. seldom___
   5. never___

[1]Deep Water Quotient

6. I have a good understanding of people. I have the ability to listen to others and to learn from them, whether superiors or subordinates. I can be sympathetic and enjoy being helpful to others.
   This describes me:
   1. perfectly___ 2. usually___ 3. occasionally___ 4. seldom___
   5. never___

7. I resent change and take whatever steps are necessary to resist changes in my responsibilities or in my work assignments or methods. The past to me has great security.
   This describes me:
   1. perfectly___ 2. usually___ 3. occasionally___ 4. seldom___
   5. never___

8. I am not defensive. I can overlook personal attacks and don't regard every insult or off-hand remark as a personal challenge.
   This describes me:
   1. perfectly___ 2. usually___ 3. occasionally___ 4. seldom___
   5. never___

9. I have personal problems. I drink to excess and this can lead to "family problems." I come up with "secret" problems which I don't tell anyone about.
   This describes me:
   1. perfectly___ 2. usually___ 3. occasionally___ 4. seldom___
   5. never___

10. I have "made it." I have confidence in the organization and its ability to "carry me" from now on.
    This describes me:
    1. perfectly___ 2. usually___ 3. occasionally___ 4. seldom___
    5. never___

11. I am flexible. I am willing to look at some other positions and change when I'm reasonably convinced the new approach is better. I can compromise with my boss or my employees.
    This describes me:
    1. perfectly___ 2. usually___ 3. occasionally___ 4. seldom___
    5. never___

12. I don't like risk and won't take any risk unless forced. Competition is unnecessary and not worth the risk or the potential cost.
    This describes me:
    1. perfectly___ 2. usually___ 3. occasionally___ 4. seldom___
    5. never___

Score Yourself for Your DWQ

A. Count the total points (1 through 5) for the odd-numbered items. Next, count the total points for the even-numbered items.
B. Subtract your total score on the odd-numbered items from 30, and add the result to your even-numbered score total.
C. The result is your DWQ.

What Your Score Means

6-10 points	No deep water problem. You're walking on water.
11-20 points	Feet wet. You're in good shape.
21-32 points	Hip deep. You might have some areas where you can do some rethinking.
33-43 points	Treading water, but your head is still above water. Several signals should warrant your attention. Use high even-numbered scores and low odd-numbered scores to indicate potential trouble spots.
44-54 points	You're over your head and in real trouble. Take corrective action immediately.

Naturally, this test of your DWQ is not foolproof. It was designed to give you a way of doing some self-analysis, and pinpointing areas in your behavior (on the job as well as off) where you could be getting yourself into trouble. If you have several items where your score is negative, you should take some corrective action immediately. To put off doing so is to invite later problems when changing conditions and changing demands by the organization require your best efforts.

Source: Preston, Paul. Management for Supervisors. Englewood Cliffs: Prentice-Hall, 1978.

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ASSIGNMENT SHEET #3

Read the following case study and answer the questions:

STIERHOFF COMPANY

When Chester Boone was hired as an order picker eight months ago, Herbert Seltzer, supervisor of the finished goods storeroom, believed he was indeed fortunate to get such a fine young man in his group. During the past two months, Chester's behavior has changed considerably. He has become careless in his work, commonly fails to pick the correct items on orders, resents any calling of his attention to his errors taking a belligerent attitude toward any corrective action. Only two weeks ago a reprimand had been given him for excessive tardiness and for taking unauthorized leaves from the storeroom. His behavior improved for several days, but now he has returned to his poor work habits. Mr. Seltzer talked with Chester:

Seltzer: Chester, I don't know what I'm going to do with you. I have never in my 17 years of supervising had a person change so much. You started out as an excellent order picker, now you have sunk to a marginal one and if you don't straighten out, I may have to let you go.
Chester: (with sheepish grin): Uh huh. Uh huh.
Seltzer: You aren't attending evening classes, either.
Chester: Yes, I am.
Seltzer: Now be careful. The school called yesterday. You haven't been there for five weeks.
Chester: Yeah, I guess so.
Seltzer: Why aren't you going to school? You have a good mind. You want to make something of yourself.
Chester: Sure, big deal. The school means well, but it's dull. I don't want to go and I'm not going. Nobody can make me go.
Seltzer: Does your mother know?
Chester: Nope, and you better not tell her. If you do, you'll be sorry. You'll be sorry. I'm telling you, you'll be sorry.
Seltzer: Chester, let me help you. Something is bothering you. What is it? You can tell me.
Chester: Nothing is the matter. Nothing at all.
Seltzer: Well, let me put this to you as straightforward as I can. Your work has got to improve. You can do it. You know you can and so do I. Now, remember your work has got to improve. That's all.

Herb Seltzer was not at all sure he was getting anywhere with Chester. He thought about the whole situation for awhile. He decided to get some advice from his close friend, Sam Kolwaski, the assistant sales manager. On his way to Sam's

office, Herb took a shortcut through a now little used and practically abandoned research area resulting from a new layout about six months ago. While walking through he decided to stop by the men's washroom in this area. Opening the door he heard voices from what used to be a shower room. Standing still he could clearly hear a voice saying, "Come on, don't smoke it all, let me have it." Then another voice, "We're taking a big chance here. What if we get caught?" Herb recognized this voice as Chester's. Then the initial voice, "Oh man, that's something. There is nothing like it. Quit worrying kid. I've smoked pot in here many times."

Questions

1. As Herb Seltzer, what would you do:

   a. Walk away and discuss the problem with your supervisor?
   b. Confront Chester right now?
   c. Call Chester in tomorrow and get him to stop smoking pot? Justify your selection.

2. What other actions might Herb take? Discuss.

3. Evaluate Herb's supervision of Chester prior to the pot smoking incident.

Source: Terry, George R. Supervision. Homewood: Richard D. Irwin, 1978.

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ASSIGNMENT SHEET #4

Read the following case study and answer the questions:

The Young College Graduate and the Old Superintendent

Situation: You are a consultant to the manager of a garment manufacturing plant in a small southern town. The manager has been having trouble with two of his employees: Ralph, the plant superintendent, and Barbara, the production scheduler. Ralph is 53 years old and has been with the company since he was released from military duty after World War II. He started as a warehouseman with a sixth-grade education and worked his way up through the ranks. Until recently, Ralph handled the production scheduling function himself along with his many other duties. He was proud of the fact that he could handle it all "in his head." As the volume of production and the number of different products grew, however, the plant manager felt that significant savings could be attained through a more "scientific" approach to scheduling. He believed that he could save on raw materials by purchasing in larger lots and on production set-up time by making longer runs. He also wanted to cut down on the frequency of finished good stock-outs, and when backlogs did occur, he wanted to be able to give customers more definite information as to when goods would be available. He wanted to have a schedule documented for at least two months into the future with daily updates.

Barbara is 24 years old, and grew up in the Chicago area. This is her first full-time job. She earned a Master of Science in Industrial Engineering from an eastern engineering school. She jumped right into the job and set up a computer-assisted scheduling system using a time-sharing service with a teletype terminal in her office. The system is based on the latest production scheduling and inventory control technology. It is very flexible and has proven to be very effective in all the areas that were of interest to the plant manager.

Plant Manager: Sometimes I just want to shoot both Ralph and Barbara. If those two could just get along with each other, this plant would run like a well-oiled machine.

Consultant: What do they fight about?

Manager: Anything and everything that has to do with the production schedule. Really trivial things in a lot of cases. It all seems so completely senseless!

Consultant: Have you tried to do anything about it?

Manager: At first I tried to minimize the impact of their feuds on the rest of the plant by stepping in and making decisions that would eliminate the point controversy. I also tried to smooth things over as if the arguments were just friendly disagreements. I thought that after they had a chance to get accustomed to each other the problem would go away. But it didn't. It got to the point that I was spending a good 20 percent of my time stopping their fights. Furthermore, I began to notice that other employees were starting to take sides. The younger women seemed to support Barbara; everybody else sided with Ralph. It began to look as if we might have our own little war.

Consultant: What's the current situation?
Manager: I finally told them both that if I caught them fighting again. I would take "very drastic action" with both of them. I think that move was a mistake though, because now they won't even talk to each other. Barbara just drops the schedule printouts on Ralph's desk every afternoon and walks away. Ralph needs some help in working with those printouts, and Barbara needs some feedback on what's actually going on in the plant. Frankly, things aren't going as well production-wise now as when they were at each other's throats. And the tension in the plant as a whole is even worse. They are both good people and outstanding in their respective jobs. I would really hate to lose either one of them, but if they can't work together, I may have to let one or both of them go.

1. Why is this conflict occurring?

2. What method did the manager use in dealing with this conflict situation? Was if effective?

3. Recommend an approach for resolving the conflict.

Source: Rue, Leslie W. and Lloyd L. Byars. Management: Theory and Application. Homewood: Richard D. Irwin, 1977.

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ASSIGNMENT SHEET #5

Circle each of the events listed that have happened to you in the past year. Then add up the mean point values for each.

	LIFE EVENT	MEAN VALUE
1.	Death of spouse	100
2.	Divorce	73
3.	Marital separation	65
4.	Jail term	63
5.	Death of close family member	63
6.	Personal injury or illness	53
7.	Marriage	50
8.	Fired at work	47
9.	Marital reconciliation	45
10.	Retirement	45
11.	Change in health of family member	44
12.	Pregnancy	40
13.	Sex difficulties	39
14.	Gain of new family member	39
15.	Business readjustment	39
16.	Change in financial state	38
17.	Death of close friend	37
18.	Change to different line of work	36
19.	Change in number of arguments with spouse	35
20.	Mortgage over $10,000	31
21.	Foreclosure of mortgage or loan	30
22.	Change in responsibilities at work	29
23.	Son or daughter leaving home	29
24.	Trouble with in-laws	29
25.	Outstanding personal achievement	28
26.	Wife begin or stop work	26
27.	Begin or end school	26
28.	Change in living conditions	25
29.	Revision of personal habits	24
30.	Trouble with boss	23
31.	Change in work hours or conditions	20
32.	Change in residence	20
33.	Change in schools	20
34.	Change in recreation	19
35.	Change in church activities	19
36.	Change in social activities	18
37.	Mortgage or loan less than $10,000	17
38.	Change in sleeping habits	16
39.	Change in number of family get-togethers	15
40.	Change in eating habits	15
41.	Vacation	13
42.	Christmas	12
43.	Minor violations of the law	11

TOTAL POINTS

Scoring:

Holding on: If you score 600 points, you're probably in a major crisis. Don't make intricate plans for improving your life. You need to survive. Hold on to anyone who will help you get through the week or the day, but don't make any more changes just now.

Saying "no": If you're between 300 and 500 points, and you want to slow down, you'll probably need to say "no" to some of your options. Forget the guilt trip. Do what is most healthy for you. Select those activities essential to you and slacken your pace by saying "no" to the rest until you can adequately process the change you've already gone through.

Saying "yes": If you are between 0 and 100 points, you're in danger of becoming stagnant. You might get involved in new ventures. When you're asked to participate, say "yes". You don't, however, need to wait for an invitation. Volunteer. If you're dying from boredom, get off your duff and seek out people and projects with which you can become involved.

Source: Tubesing, Donald A. Stress Skills. Minneapolis: Whole Person Associates, 1979.

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ASSIGNMENT SHEET #6

A HURRY SICKNESS TEST

You're Type A if you: (circle appropriate categories)

1) Engage in vocal explosiveness

____accentuate key words when there's no reason to do so
____speed up at the end of your sentences

2) Move, walk, and eat rapidly

3) Are impatient at the rate of events

____hurry speech of others
____say "yes, yes, uh-huh, yes" constantly when others talk
____finish sentences for others
____irritated at slow car ahead
____hate to wait in line or for an appointment
____take over work when you can do it faster and better than others
____irritated with repetitious duties
____hurry your reading (or read mostly summaries)

4) Polyphasic thought or performance

____think or do more than one simultaneously; while listening think of tasks, while golfing think of work, while driving listen to tapes, while shaving, eat, read, and plan

5) Are self engrossed

____bring theme of conversation around to your expertise and interests
____if can't do that, then stay quiet and think about your interests

6) Feel vaguely guilty when relaxing

____seldom do nothing for few hours (or days)

7) Don't observe the interesting and lovely in your path

____don't hear birds, see flowers, etc.
____can't remember decorations in a room or office

8) Are preoccupied with things worth having or things worth doing

____little time for things worth seeing
____lost the poetic part of you

9) Have a chronic sense of time urgency

____schedule more and more in less and less time
____make few allowances for unforeseen contingencies
____pride in working best "under pressure"

10) Feel competition with another Type A person (challenged)

____rather than compassion for his illness, you feel challenged to compete and not let other "win"
____feel hostile or aggressive more quickly with Type A than with Type B people

11) Have habitual pattern of gestures and nervous tics

____gestures in conversation; i.e., clenched fist, waving finger, pound table, etc.
____spasmodically tighten corners of mouth, clench jaw, constant smile, constant nod of head

12) Believe success is related to doing things faster than others

____afraid to slow down
____feel "unsupported" when slowing down

13) Translate life into "numbers game"

____increasingly evaluate self and work in terms of numbers
____compare your numbers with the numbers of others

14) Believe you are Type A, but believe that you (alone?) can "get away with it" and it won't hurt you.

You're Type B if you:

1) Are free from Type A habits and you exhibit none of the traits of Type A.

2) Don't suffer from a sense of time urgency with its accompanying impatience

3) Harbor no free-floating hostility and feel little need to display or discuss your achievements unless it is demanded by the situation.

4) Play for fun and relaxation, not to compete and to exhibit your superiority.

5) Can relax without guilt.

6) Can work without agitation.

7) Find it easy to allow some tasks to remain uncompleted while you relax and enjoy yourself

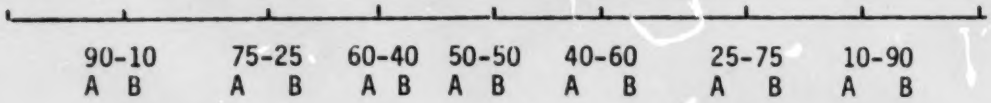
NOTE: Most of us exhibit Type A behavior in some situations and Type B behavior in other situations. A "moderately afflicted" Type A person can still turn his/her "hurry up sickness" off and on at will.

Type A behavior is a habit, and like any habit it can become addicting. In the early stages of the illness you can still control it; in the latter stages you no longer have control; the illness runs rampant.

The first step in getting a handle (control) on any unhealthy addiction is to take a good, honest self-appraisal. (Note that one characteristic of the Type A person is that s/he can't recognize that s/he is Type A).

On the scale below rate yourself and your present behavior. Place an "X" on the continuum.

100% Type A 100% Type B



90-10	75-25	60-40	50-50	40-60	25-75	10-90
A B	A B	A B	A B	A B	A B	A B

Factors in my behavior which pushed my rating more toward Type A

List:

Factors in my behavior which pushed my rating more toward Type B

List:

Source: Tubesing, Donald A. Stress Skills. Minneapolis: Whole Person Associates, 1979.

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REVIEW SHEET

Check what you have learned about motivation, change, personnel management, conflict, and stress management, by completing the review sheet below. Then check your answers with the information sheet materials. If you get all fifteen items right you're doing a terrific job. Twelve right is very good; ten right is fair; and if you got eight or less right you need some review on the principles.

1. Match the following terms and definitions:

_____ A.	Conflict	1. Disagreement between two or more parties resulting from an incompatability of facts, methods, goals, or values.
_____ B.	Motivation	2. Tension as a reaction to pressure
_____ C.	Stress	3. The act of stimulating someone to take a desired course of action.

2. Compare and contrast the theories of motivation formulated by Maslow and by Herzberg.

3. Discuss the four factors affecting motivation.

a.

b.

c.

d.

4. List at least seven motivational devices managers may use.

   a.

   b.

   c.

   d.

   e.

   f.

   g.

5. Discuss three aspects involved in dealing with change.

   a.

   b.

   c.

6. List six tips on implementing change.

   a.

   b.

   c.

   d.

   e.

   g.

7. List at least seven indications that an employee is having a problem and the three sources of employee problems.

   indications:

   a.

   b.

   c.

   d.

   e.

f.

g.

sources:

a.

b.

c.

8. Discuss the three typical employee problems and how each might be dealt with.

a.

b.

c.

9. List the five R's of counseling employees.

a.

b.

c.

d.

e.

10. Discuss three reasons for conflict and five ways in which people respond to conflict.

reasons:

a.

b.

c.

d.

e.

disadvantages:

a.

b.

c.

12. List the four ways managers can help resolve employee conflicts.

a.

b.

c.

d.

e.

13. List at least five causes of stress among executives.

a.

b.

c.

d.

e.

14. Describe the Type A and Type B personality characteristics.

Type A:

Type B:

15. Discuss at least five steps for controlling stress.

a.

b.

c.

d.

e.

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UNIT V

UNIT OBJECTIVE

This unit will give the manager in business or industry an opportunity to increase management skills in regard to budgeting, use of accounting data, computer awareness, economics, and advertising. In studying these topics, specific techniques for each will be presented as well as opportunities to participate in actual practice activities.

SPECIFIC OBJECTIVES

Upon completion of this unit, the participant should be able to:

1. Match definitions with the following terms: accounting, advertising, balance sheet, break-even point, budget, computer, current assets, current liabilities, economic good, economics, funds flow statement, Gross National Product, hardware, income statement, production, profit, software.
2. Discuss six steps in preparing a budget.
3. List five advantages of using budgets.
4. Demonstrate an understanding of financial statements by reading a balance sheet, a funds flow statement, and an income statement. Also calculate at least two financial ratios.
5. Discuss at least five limitations in analysis of accounting data.
6. List at least ten reasons managers use computers.
7. Discuss the five classifications of computer systems.
8. List at least ten points to consider in choosing a computer.
9. Discuss three basic economic principles.
10. Discuss the principles of supply and demand.
11. List at least seven unique characteristics of American business.
12. Discuss the four aspects involved in planning for profit.
13. Discuss the four factors influencing profit in break-even analysis.
14. List at least five objectives of advertising.
15. Discuss the seven considerations in selection of advertising media.

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UNIT V

SUGGESTED ACTIVITIES

I. Instructor:

A. Provide participants with objective sheet.
B. Provide participants with information and assignment sheets.
C. Discuss objectives.
D. Discuss information and assignment sheets.
E. Discuss review sheets.

II. Participants:

A. Read objectives.
B. Study information sheets.
C. Complete assignment sheets.
D. Check that objectives can be achieved.
E. Complete and check review sheets.

INSTRUCTIONAL MATERIALS

I. Included in this unit:

A. Objectives
B. Information sheets
C. Transparency masters

1. Operating budgets
2. Balance sheet
3. Funds flow statement
4. Income statement
5. Economic systems
6. Business sizes
7. U.S. output growth
8. Break-even analysis

D. Assignment sheets

1. Accounting statements
2. Computer feasibility
3. Economic case study

E. Review sheets

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P. U.S. Department of Commerce and The Advertising Council. The American Economic System. . .and your part in it. 1975 (booklet available free from The Advertising Council, 825 Third Avenue, New York)

REFERENCE CODE

A--accounting
B--budgeting
C--computers
D--economics
E--advertising

BUSINESS AND INDUSTRIAL SUPERVISORS
YOUR ENTERPRISE IS FREE
UNIT V

INFORMATION SHEET

I. Terms and definitions:

A. Accounting--A system for collecting, summarizing, analyzing, and reporting, in monetary terms, information about an organization.
B. Advertising--All the activities involved in presenting to a group a non-personal, oral or visual, openly sponsored message regarding a product, service, or idea.
C. Balance sheet--A statement showing how a business is doing as of a particular date; it gives a history of what is owned by the business (assets) and what portion of those assets are owed by the business (liabilities) and the owner's claim to the assets of the business (owner's equity or capital).
D. Break-even point--When sales reach a dollar volume equal to all expenses incurred in attaining that level of sales; beyond this point, the business has the potential to make a profit on additional sales.
E. Budget--A plan expressed in quantitive (normally financial) terms.
F. Computer--A group of machines whose capabilities include the ability to read in information automatically, to process this according to a program of instructions which it holds in a memory, and to communicate the results of its work automatically to the outside world; the system must always include a central processor with a small but fast internal memory and a control console for use by its operator, with extra units selected by the user as required.
G. Current assets--Those assets normally converted into cash within a year or a single operating cycle.
H. Current liabilities--Those debts that are payable within a year.
I. Economic good--Something which is both useful and scarce.
J. Economics--The production, distribution, and use of goods.
K. Funds flow statement--A report describing sources from which additional funds were derived and the uses to which these funds were put.
L. Gross National Product (GNP)--Output of all production units in the economy; the best indicator of the productive power of an economy and the living standard of its population.
M. Hardware--The computer machinery itself.
N. Income statement--A report matching the amount of money earned from the sale of goods or from services performed, against the expense incurred in earning that revenue for a specific period of time; if revenues are greater than expenses a profit is made; if expenses are greater than revenues, a loss is incurred.
O. Production--The creation or addition of utility (satisfaction) to a good.
P. Profit--The amount remaining as a result of revenues earned after all expenses associated with conducting the business have been met.
Q. Software--Consumable supplies for programming and other human effort which makes the machinery operate as required.

II. Steps in preparing a budget:

A. Set guidelines. The budget is intended to implement major policy decisions. The long-range plan governs the preparation of the budget.
B. Make the sales estimate. A statistical forecast on the basis of an analysis of general business conditions, market conditions, product growth curves, etc., can be made or an internal foreca t by collecting opinions of executives and salesmen; in either case the budget should reflect the positive actions that management plans to take in order to influence future sales.
C. Prepare an initial budget. Each department should add detailed calculations, informational data, and estimates of expenses. Types of budgets: (transparency)

1. An operating budget, showing planned operations for the forthcoming period; usually consists of two identical parts:

   a. A program budget which describes the major programs the company plans to undertake, showing the anticipated revenues and costs associated with each product or service.
   b. A responsibility budget which sets forth plans in terms of the persons responsible for carrying them out.

2. A cash budget, showing the anticipated sources and uses of cash.
3. The capital budget, essentially a list of what management believes to be worthwhile projects for the acquisition of new capital assets together with the estimated cost of each project.

D. Negotiate. The value of the budget as an estimate of what is going to happen, as a motivating device, and as a standard against which actual performance will be measured depends upon how skillfully the budgetee and his/her superior can negotiate as to the individual elements of expense and responsibility.
E. Coordinate and review. Repeat the negotiation process as needed.
F. Gain final approval of top management.

III. The advantages of using budgets:

A. Budgeting is a means of coordinating activities through the cooperation of the factors that interlock in running a business organization.
B. A budget is more than speculation; it is a workable pattern to be followed.
C. A budget places an obligation upon the enterprise to maintain adequate financial records that can be tied in with the budget.
D. Efficient or inefficient use of resources is revealed by budgets intended for that purpose.
E. A budget gives management a means for self-evaluation and can be used to measure progress.

IV. The overall objective of a business is to earn a satisfactory return on investment and to maintain a sound financial position. Financial statements report on the financial position of an organization.

A. Balance sheet--working capital (total current assets minus total current liabilities) is of primary interest in this report since it reflects recent market conditions; also provides data for tests of liquidity and solvency. (transparency)
B. Funds flow and cash flow statements--derived from an analysis of changes occurring in asset, liability, and equity items between two balance sheet dates; reflects company financial policies whether of an expansive or conservative nature. (transparency)
C. Income statement--provides a measurement of the profitability of business operations; trend percentages for various periods are helpful in that they call attention to large proportionate changes but they can be misleading if computed on a small base and the dollar amount involved is relatively insignificant. (transparency)
D. Financial ratios--a means of comparison; can be grouped into four categories:

1. Tests of profitability. The net income percentage or return on sales, is a measure of overall profitability. It is calculated Net Income divided by Net Sales equals Return on Sales.
2. Tests of liquidity evaluate the company's ability to meet its current obligations. The current ratio (Current Ratio equals Current Assets divided by Current Liabilities) is the most commonly used ratio because it indicates the size of the available cash flow buffer. Other tests of liquidity include the quick ratio, the collection period, and the inventory turnover.
3. Tests of solvency which indicate a company's ability to meet the interest costs and repayment schedules associated with its long-term obligations. The most important ratios in this category are those that show the relationship between debt capital (liabilities) and equity capital. This can be calculated as Total Liabilities divided by Owner Equity equals the Debt-to-Equity Ratio.
4. Overall measures. An example of this type of ratio is the return on investment which looks at the rate earned on resources provided by owners. (Return on Investment equals Net Income divided by Owner Equity).

E. Comparisons of actual figures against standards such as:

1. Experience--the manager or financial analyst builds up his own idea of "good" or "poor" performance, based on knowledge about similar situations.
2. Goals--actual performance can be compared with budgets, or expected performance standards, provided that budget figures have been carefully established in the first place and that economic conditions have not been unusual during the period.
3. Historical standards--a comparision of current performance with past figures for the same company can show improvement or lack of improvement, providing circumstances and accounting practices have not changed materially.
4. External standards--many sources, such as Dun & Bradstreet, contain average ratios for groups of companies in the same industry or of similar size.

V. Limitations in analysis of accounting data:

A. Accounting reports are necessarily expressed in monetary terms--personalities, the impact of outside forces, and other nondollar information that may be vital to the business cannot be described in the accounts; further, the value of the dollar itself varies.
B. Accounting reports are historical documents based on past events, but influenced by estimates of future events--e.g., depreciation expenses are based on an estimate of how long the asset will be used in the future, accounts receivable cannot be accurately assessed until the number of credit customers who will not pay their bills is known, and the actual value of inventory depends on what the merchandise can be sold for in the future.
C. Deciding on the proper basis for comparison is very difficult--most standards should be considered in a range of acceptability rather than as a single number; e.g., a current ratio of 2:1 to 3:1 may be considered satisfactory while ratios below 2:1 may indicate danger of being unable to meet obligations and ratios above 3:1 may indicate funds being left idle rather than being efficiently employed.
D. Differences in the situations being compared must be considered--factors that affect one company's performance this year as compared with those that affect the same company's performance last year, or the performance of another company, are complex and difficult to evaluate.
E. Differences may also exist in definition--"current assets" and "current liabilities" are not precisely defined and there is considerable diversity in practice as to how they should be measured.
F. Hidden short-run changes may exist--the balance sheet, prepared as of a specific moment in time, may not reflect an average or typical situation. Paying off a loan just before the end of the year, for example, might temporarily increase the current ratio, but intentions of borrowing again early in the next year would not appear.

VI. Reasons managers use computers:

A. Reduce clerical labor expense; meet clerical labor shortages.
B. Reduce space and overhead expense.
C. Reduce supplies expense.
D. Reduce inventory carrying expense; improve purchasing practices.
E. Shorten processing time; speed the flow of money into an organization.
F. Improve operating and budgetary control which permits management to allocate fixed sums for expenditure and to monitor these in detail.
G. Improve customer service.
H. Improve cost control so that a true picture is obtained of the cost involved in maintaining an organization's activities, thus allowing it to rationalize its sales and other policies.
I. Improve marketing and sales management, to allow the formulation and implementation of realistic marketing and sales strategies and to monitor the progress of work.
J. Improve production planning and control in all kinds of manufacturing operations so as to utilize resources to the best advantage.and monitor
K. Assist the project planning and long-range business planning.
L. Attain prestige and a progressive image.
M. Prepare required governmental reports.

VII. Computer systems are generally classified by size (cost) as follows:

A. Large-scale computer systems--usually incorporate smaller peripheral systems for use in data preparation for input and in the printing of data output to conserve very fast computing capabilities; rent for over $20,000 per month.
B. Medium-range computer systems--includes most of the more widely used systems; rent for $5,000 to $20,000 per month and still have quite fast computational speed.
C. Small-sized computer systems--often of a punched-card orientation; rent for $1,000 to $5,000 per month.
D. Desk-sized computer systems--include some of the more sophisticated accounting equipment; rent is usually in the $300 to $1,500 monthly range.
E. Minicomputers--may serve as a terminal device or data concentrators which process some types of data but which can also serve to feed data to large-scale systems; usually not available for rental, purchase price is less than $25,000.

VIII. In choosing a computer, cost/performance ratio (the system's capabilities in relation to its cost) is probably the prime consideration. Other points to consider include:

A. Complete specifications for individual items of hardware with purchase price and rental charge for each.
B. Suggestions of how any existing equipment may be used in this connection.
C. Trade-in terms, if any, for surplus existing equipment.
D. Details of shift loading; i.e., how many shifts will be needed to work the proposed system.
E. A definition of what is meant by "normal operating time," i.e., how much time is expected to be required for routine maintenance.
F. Estimated cost of maintenance and of spares required.
G. Estimated costs of consumable items such as cards, paper tape, and continuous stationery.
H. Requirements for power supply and current stabilization.
I. Details of the temperature, humidity, and other environmental requirements.
J. Full specification of software and date of availability.
K. Suggestions about what programming languages may be required and estimates of how long basic training for programmers will take.
L. Details of the availabilitiy and maintenance of back-up services. These include facilities for the training of programmers; and the availability of manufacturer's staff to help out initially with programming, etc.
M. How much free program-testing time is offered and how much will be charged for this facility if the free entitlement is exhausted; and the location of the system on which testing time is available.
N. Advice on the type and number of data-preparation machines required; and an estimate of cost.

IX. Basic economic principles:

A. There is always scarcity--fewer goods are available than people would like to use if they could have them free.
B. The fact of scarcity makes choices necessary:

1. What goods and services will be produced?
2. How will they be produced--i.e., who will produce them and what resources will be used?
3. Who will use these goods and services?

C. Choices can be made in several ways: (transparency)

1. By the market economy--the free enterprise system using:

a. Consumers--who look for the best value in return for what they spend.
b. Producers--who seek the best income for what they offer.
c. Governments--which seek to promote the safety and welfare of the public, and promote and regulate economic growth.

2. By a planned economy--a socialistic or communistic system.

X. Principles of supply and demand:

A. Demand--consumers will usually buy less of a product if its price rises and more if its price falls. However, there are some qualifications of this principle:

1. Buyers' preferences must remain unchanged. If a new product is introduced with features buyers prefer, demand may shift regardless of price.
2. Buyers' incomes must remain the same. If incomes rise as prices rise, demand will not be affected.
3. Prices of related products must remain unchanged. Otherwise substitutions may be made. Likewise, the demand for complementary goods may depend on prices of other goods.

B. Supply--usually the higher the price, the larger the quantity which will be offered on the market. Again, there are qualifications since supply availability and prices depend upon production costs which are determined by:

1. Prices of production factors--the "raw materials."
2. Method of production used--e.g., how much labor will be used will affect the price.
3. Size and efficiency of the plant.

C. Market conditions also affect prices of goods since the number of buyers and sellers in the market and the possibility of shifting from one to another create competition. Competition, ideally, stimulates quality productivity and fair prices.
D. The market economy is basically stable, but constantly changing as a result of:

1. General waves of prosperity and depression.
2. The invention of new products and new methods of production. Some existing products suffer a loss in sales and some disappear entirely.
3. Spontaneous shifts in consumer preference. Even without the appearance of new products, taste and fashion may shift away from certain goods and toward others.
4. Spontaneous shifts in worker preference. An increased preference for leisure, or increased preference for white-collar jobs compared with blue-collar jobs, for example, will clearly have significant repercussions.
5. War, unusually good or bad harvests, shifts in economic conditions in other countries, long strikes in key industries, etc.

XI. Some unique characteristics of American business:

A. Giant industries--98% of American business enterprises do not meet the Congressional definition of "big" (over $1 million in annual sales for a retailer, over $5 million for wholesaler, and more than 250 employees for a manufacturer) but the 2% do an overwhelming volume of business and the trend toward growth has been steadily increasing--to the detriment of competition. (transparency)

B. Separation of ownership and control--incorporation and hired management is becoming a most popular form of business ownership.

C. Specialization--activities, personnel, and equipment all become more specialized as the business grows.

D. Diversification--many corporations expand into industries far removed from their major product lines.

E. Interdependence--the effect of specialization and diversification is to have many different organizations involved in supplying the individual parts that are needed to complete a finished product.

F. Creativity and research--one of the results of competition is that it forces continuous research among the competitors to keep and improve their share of the market.

G. Powerful labor unions--The National Recovery Act of 1933 and the Wagner Act of 1935 have led to an enormous growth in the importance and power of the labor unions in the United States, with union members now numbering over 20 million.

H. High Gross National Product--the GNP is now over a trillion dollars annually and growth is expected to continue, especially in the transportation industry and other services, in durable goods production and in structures. (transparency).

I. High standard of living--generally speaking, the most efficient economic system produces the highest standard of living and Americans have done very well in this area.

XII. Planning for profit involves:

A. Acquisition of capital--the individual starting a business usually uses savings as a major source of capital, and may also borrow funds; corporations acquire capital from the sale of stock or bonds, from mortgages or notes, and from loans.

B. Utilization of capital--capital is invested in fixed assets, working capital to cover operational costs, and inventory; the extension of credit to customers and allowances for depreciation must also be calculated.

C. Sales policies, including:

1. Product characteristics:

   a. Product diversification--how many products will be produced and to what extent will these products differ from each other?
   b. Obsolescence and style--how long will the product be useful or what style changes may be necessary or desirable?
   c. Quality--how well does the product meet predetermined standards of performance?

2. Pricing policies:

   a. Product costs--both direct and indirect costs must be covered.
   b. Competition--alternatives to lower prices may be emphasis on quality (including performance and long life) and excellence of service.
   c. Terms of sale--availability of credit may be an important determinant of consumer buying power, but also carries a risk of non-collection.

3. Channels of distribution--determination of who the customer is and how the product can best get to him/her.
4. Promotion policies--direct selling, advertising, and special promotional devices must be evaluated.

D. Distribution of profit--profit is vital as a means of continuing the business and much is usually reinvested in the business; corporations may also pay dividends from profits.

XIII. Analysis of profit is done by a break-even analysis. (transparency) Four factors influence profit:

A. Effect of volume--if the volume is not sufficient to produce a revenue capable of meeting all fixed and variable expenses (the break-even point) then there is no profit but rather a loss; additional volume beyond the break-even point has a marked effect on profitability.
B. Effect of fixed costs--a company should examine with care any move that results in an increase in fixed costs since the break-even point and the amount of profit earned for a given sales volume will be affected.
C. Effect of variable costs--variable cost increases definitely decrease profit and, since they can be more easily controlled than fixed costs can, they represent the area where cost-cutting is likely to occur first.
D. Effect of price--a change in dollar sales volume may be accomplished either by producing a greater number of units and selling at the original price or by producing the same number of units and selling at a higher price. The determination must be made as to how much price can be increased without causing decreased sales volume.

XIV. Fundamentally, the only purpose of advertising is to sell something. However, some more specific objectives might include:

A. Support personal selling program--open customer doors and acquaint prospect with seller's company.
B. Reach people inaccessible to salesmen--e.g., top business executives and professional men who will not see salesmen but will read a journal containing ads.
C. Improve dealer relations--by showing profitability of carrying the line or by giving names and addresses of participating retailers.

D. Enter a new geographic market or attract a new group of customers.
E. Introduce a new product.
F. Increase sales of the product.
G. Counteract prejudice or substitution.
H. Building good will for the company and improving its public service reputation.

XV. Selection of the type of advertising media to use depends upon:

A. Objective of the advertisement--e.g., if the goal is to make appointments for salesmen who are going to call on industrial users, direct mail is probably most appropriate; on the other hand, if the goal is to stimulate immediate product sales to the general public, newspaper or radio ads will probably be more effective.
B. Media circulation--selection must be based on reaching the type of market desired with a minimum of waste; e.g., a firm manufacturing shotguns will advertise in a magazine which appeals primarily to hunters rather than in a general news magazine.
C. Requirements of the message--the media most suitable for the presentation should be used; e.g., a lengthy message is not appropriate for billboard advertising and pictorial messages cannot be presented on radio.
D. Time and location of buying decision--the message should reach the prospective buyer at or near the time he makes his buying decision and the place where he makes it; e.g., outdoor advertising is often good for gasoline products and grocery store ads usually appear shortly before the weekend.
E. Cost of media--both the amount of funds available and the circulation of the media in relation to its cost should be considered.
F. Cooperation and promotional aids offered by media--e.g., a magazine may offer reprints for use in counter displays.
G. Characteristics of the major types of media:

1. Newspapers--flexible and timely as ads can be changed on short notice; give an intense coverage in a local market; circulation costs per prospect are low; life of the ad is very short.
2. Magazines--high quality of printing and color; relatively low cost per prospect; usually read in leisurely fashion so good for detailed messages; inflexibility in changing of ads and reach the market relatively infrequently.
3. Direct mail--the most personal and selective; quite costly.
4. Television--probably the most versatile; products can be demonstrated as well as explained; extremely expensive; relatively short exposure time.
5. Radio--impression made through the ear, which can be either an advantage or disadvantage.
6. Outdoor--low cost and has potential of reaching almost entire population; message must be brief and not detailed.

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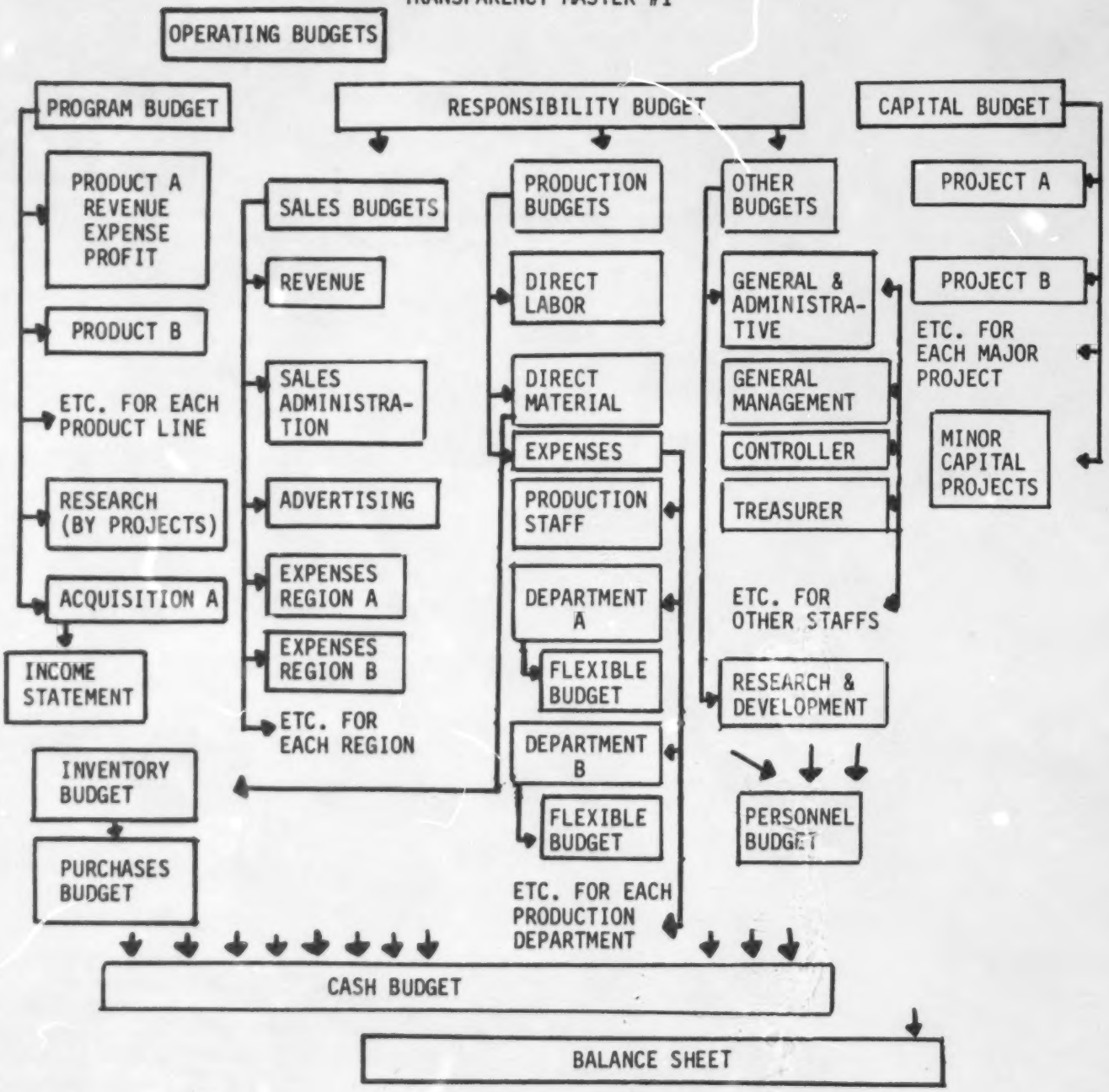
TRANSPARENCY MASTER #1



Source: Anthony, Robert N. Management Accounting Principles. Rev. ed., Homewood: Irwin, 1970.

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UNIT V

TRANSPARENCY MASTER #2

Durban Products, Inc.

Balance Sheets

December 31

(In Thousands of Dollars)

	1977	1976	1975
Assets			
Current assets:			
Cash	$ 488	$ 523	$ 384
Accounts receivable, net of uncollectibles	2,130	1,145	520
Inventories:			
Raw materials	1,157	738	282
Finished goods	1,0333	617	426
Prepaid expenses	14	37	23
Total current assets	$ 4,822	$3,060	$1,635
Plant assets, net of accumulated depreciation	8,418	6,748	5,062
Total assets	$13,240	$9,808	$5,062
Equities			
Current liabilities:			
Accounts payable	$ 1,951	$ 637	$ 215
Notes payable	100	80	50
Other current liabilities	1,044	523	158
Total current liabilities	$ 3,095	$1,240	$ 423
Long-term notes payable	4,000	3,500	--0--
Stockholders' equity:			
Capital stock, $1 par value	300	300	300
Paid-in capital in excess of par value	1,250	1,250	1,250
Retained earnings	4,595	3,518	3,089
Total equities	$13,240	$9,808	$5,062

Source: Anthony, Robert N. and Roger H. Hermanson. Management Accounting. Homewood: Richard D. Irwin, 1970.

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TRANSPARENCY MASTER #3

FUNDS FLOW STATEMENT, 1980

SOURCES OF FUNDS:	
Funds provided by operations	$ 72,000
Proceeds from sale of fixed assets	10,000
Additional long-term debt	26,000
Total	$108,000
USES OF FUNDS:	
New plant and equipment	$ 61,000
Dividends	22,000
Increase in working capital	25,000
Total	$108,000

Source: Anthony, Robert N. Management Accounting Principles. Rev. ed. Homewood: Irwin, 1970.

BUSINESS AND INDUSTRIAL SUPERVISORS
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TRANSPARENCY MASTER #4

Durban Products, Inc.
Income Statements
For the Years Ended December 31
(In Thousands of Dollars)

	1977	1976	1975	Percentages--Increase or (Decrease) 1977 over 1975	1976 over 1975
Net sales	$15,240	$5,811	$3,140	385.4%	85.1%
Cost of goods sold	11,787	3,933	1,632	622.2%	141.0%
Gross margin	$ 3,453	$1,878	$1,508	129.0%	24.5%
Operating expenses	1,127	915	739	52.5%	23.8%
Operating income	$ 2,236	$ 963	$ 769	202.5%	25.2%
Interest expense	430	148	5	8500.0%	2860.0%
Income before income taxes	$ 1,896	$ 815	$ 764	148.2%	6.7%
Provision for income taxes	759	326	306	148.0%	6.5%
Net income	$ 1,137	$ 489	$ 458	148.3%	6.8%
Depreciation included in cost of goods sold and operating expenses	$ 486	$ 317	$ 184	164.1%	72.3%

Source: Anthony, Robert N. and Roger H. Hermanson. Management Accounting. Homewood: Richard D. Irwin, 1970.

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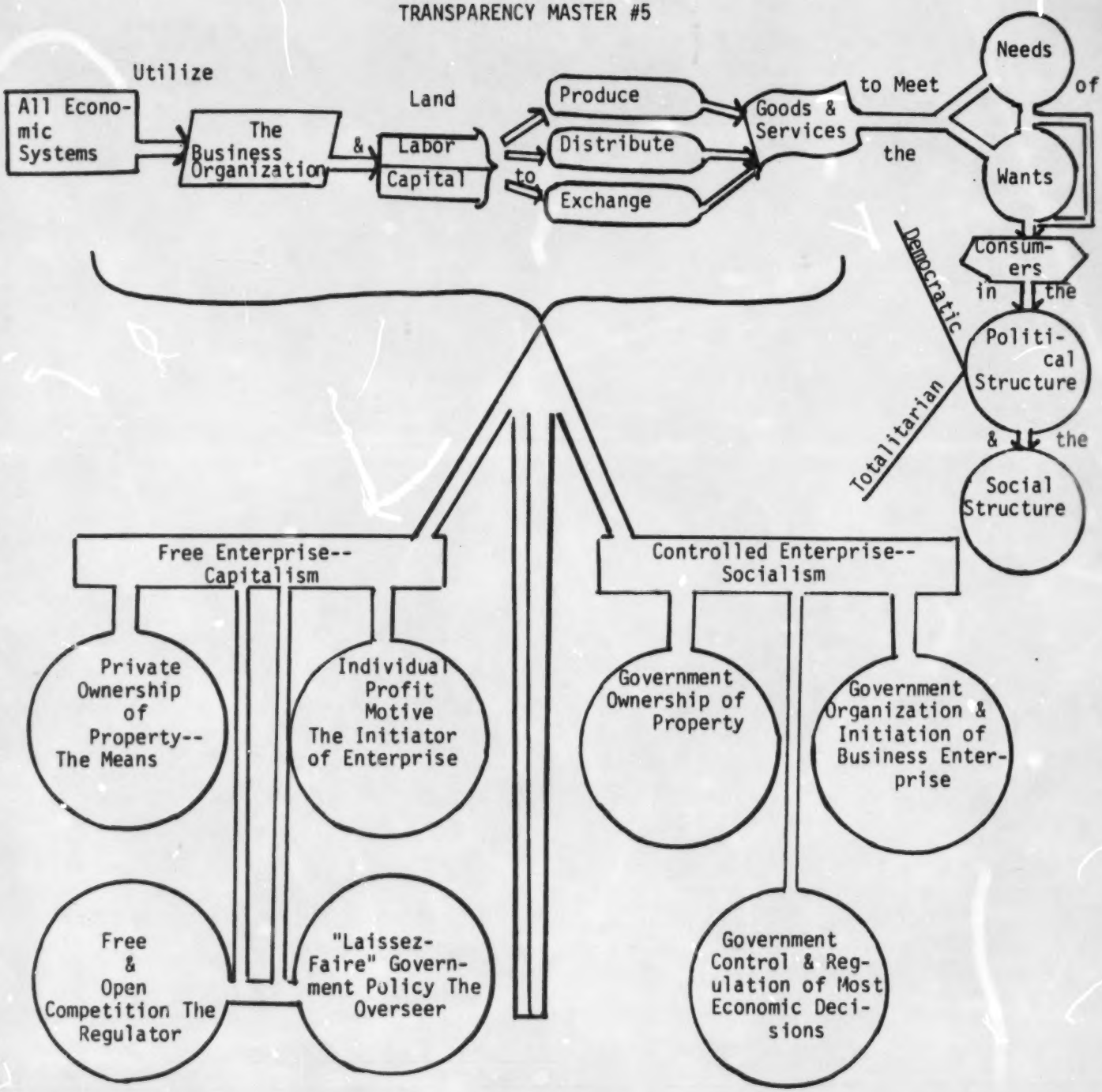
TRANSPARENCY MASTER #5



Source: Koontz, Harold and Robert M. Fulmer. A Practical Introduction to Business. Homewood: Richard D. Irwin, 1975.

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TRANSPARENCY MASTER #6

PROPRIETORSHIPS, PARTNERSHIPS AND CORPORATIONS--NUMBER AND BUSINESS RECEIPTS BY SIZE OF RECEIPTS: 1969 (Number in thousands; receipts in millions of dollars).

Size Class of Receipts	Total		Number			Receipts		
	Number	Receipts	Proprietorships	Active partnerships	Active corporations	Proprietorships	Active partnerships	Active corporations
Total	12,010	1,879,326	9,430	921	1,659	234,335	84,161	1,560,830
Under $10,000 [1]	6,263	18,542	5,635	337	291	17,218	925	399
$10,000-$25,000	2,004	31,459	1,685	147	172	27,348	2,329	1,782
$25,000-$50,000	1,291	44,186	982	132	177	34,723	4,648	4,815
$50,000-$100,000	994	67,934	655	122	217	45,796	8,567	13,571
$100,000-$200,000	644	87,711	314	97	233	43,124	13,499	31,088
$200,000-$500,000	456	136,804	130	63	263	37,651	18,784	80,169
$500,000 or more	358	1,492,890	29	24	305	28,475	35,409	1,429,006
Percent distribution	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under $10,000[1]	52.1	1.0	59.8	36.6	17.5	7.3	1.1	(z)
$10,000-$25,000	16.7	1.7	17.9	16.0	10.4	11.7	2.8	0.1
$25,000-$50,000	10.7	2.4	10.4	14.3	10.7	14.8	5.5	0.3
$50,000-$100,000	8.3	3.6	6.9	13.2	13.1	19.5	10.2	0.9
$100,000-$200,000	5.4	4.7	3.3	10.5	14.0	18.4	16.0	2.0
$200,000-$500,000	3.8	7.3	1.4	6.8	15.9	16.1	22.3	5.1
$500,000 or more	3.0	79.4	0.3	2.6	18.4	12.2	42.1	91.6

z Less than 0.05 percent. [1]Includes businesses with no receipts.

Source: Diamond, Jay and Gerald Pintel. Introduction to Contemporary Business. Englewood Cliffs: Prentice-Hall, 19[illegible]

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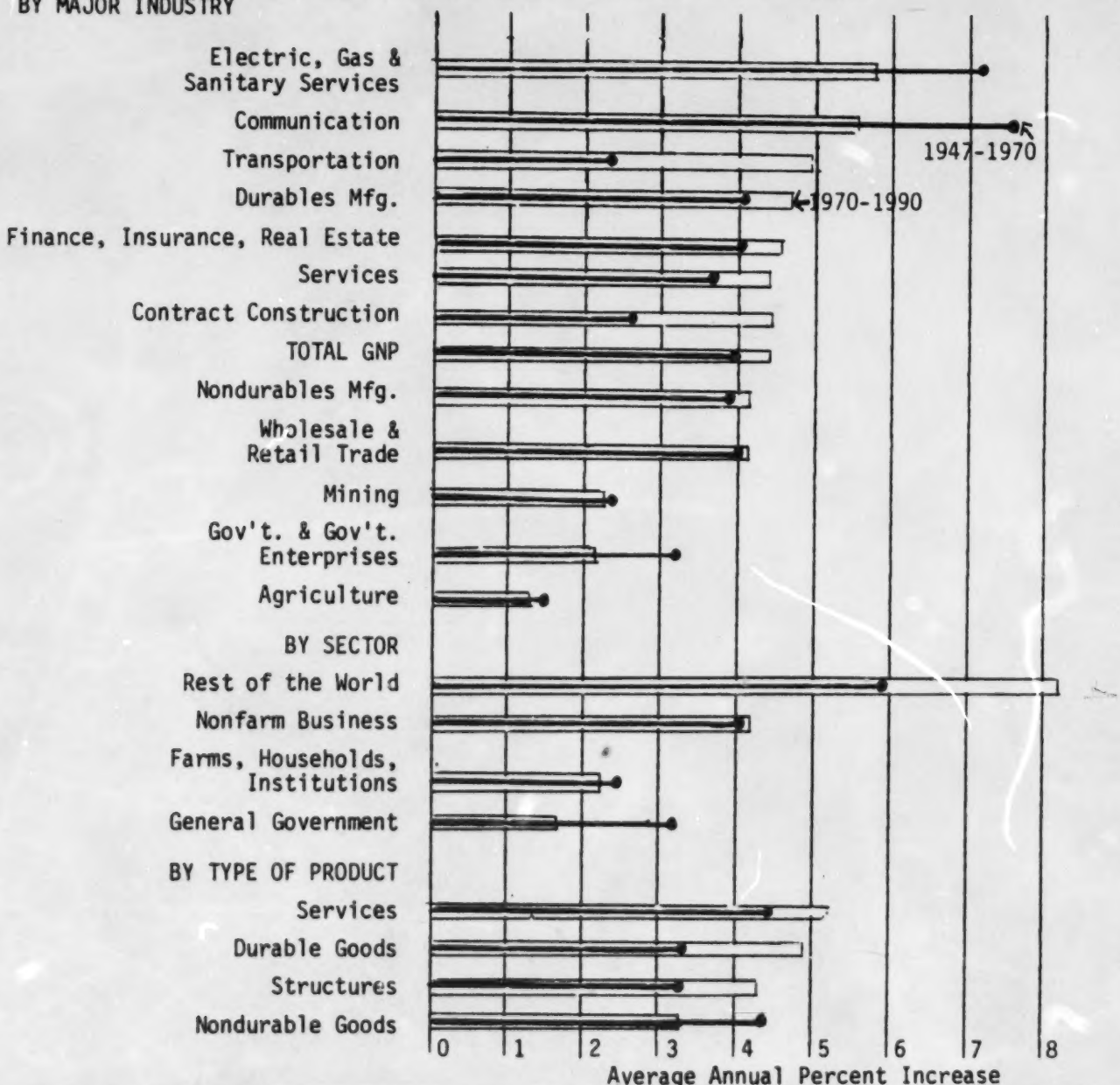
TRANSPARENCY MASTER #7

Past and Predicted Rates of Growth in U.S. Output



Horizontal lines show average annual percentage rates of growth in the period 1947-70. Bars show predicted rates of growth for 1970-90.

Source: Koontz, Harold and Robert M. Fulmer. A Practical Introduction to Business. Homewood: Richard D. Irwin, 1975.

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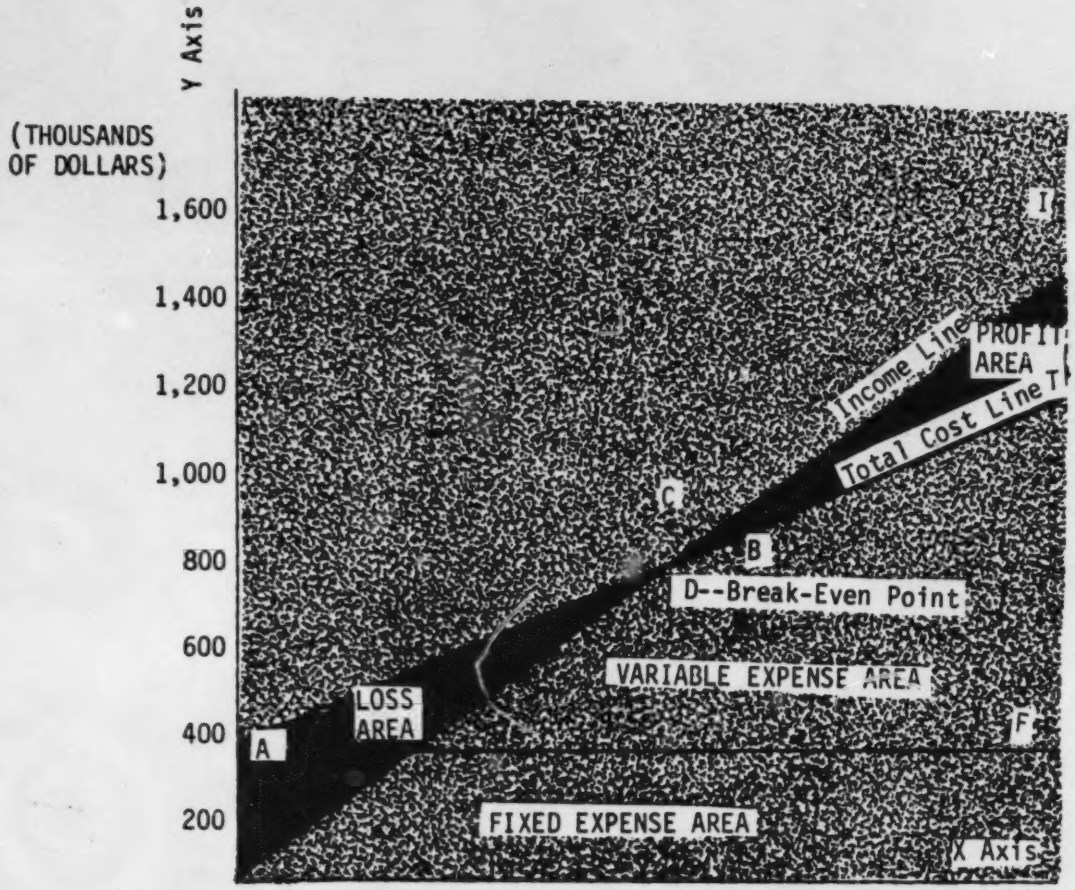
TRANSPARENCY MASTER #8



UNIT OUTPUT AND SALES

Source: Sisk, Henry L. Management and Organization. 2d ed. Cincinnati: South-Western Pub. Co., 1973.

BUSINESS AND INDUSTRIAL SUPERVISORS
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UNIT V

ASSIGNMENT SHEET #1

Using the income statement and balance sheet below, calculate the working capital, the net profit or loss, the return on sales, the current ratio, debt-to-equity ratio, and the return on investment.

Myron Products, Inc.
Comparative Balance Sheets
December 31

			Changes	
	1977	1976	Debit	Credit
Current assets:				
Cash	$ 22,100	$ 18,300		
Marketable securities	14,000	15,000		
Accounts receivable	43,200	44,900		
Inventories	76,200	67,100		
Total current assets	$155,500	$145,300		
Current liabilities:				
Accounts payable	$ 10,300	$ 11,500		
Wages payable	8,500	8,100		
Estimated income taxes payable	56,100	52,400		
Dividends payable	6,000	5,000		
Total current liabilities	$ 80,900	$ 77,000		
Net working capital	$ 74,600	$ 68,300	$ 6,300	
Investment in Haven, Inc.	26,000	--0---	26,000	
Plant assets, net of depreciation	82,000	64,000	18,000	
	$182,600	$132,300		
Less: Long-term notes	$ 25,000	$ 15,000		$10,000
Bonds payable	--0---	35,000	35,000	
	$ 25,000	$ 50,000		
Stockholders' equity	$157,600	$ 82,300		
Detail of stockholders' equity:				45,000
Capital received from stockholders	$ 60,000	$ 15,000		45,000
Retained earnings	97,600	67,300		30,300
Total stockholders' equity	$157,600	$ 82,300	$85,300	$85,300

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ASSIGNMENT SHEET #1 (continued)

Myron Products, Inc.

Income Statement

For the Year Ended December 31, 1977

Sales and other income:	
Net sales	$326,400
Gain on sale of equipment	3,200
	$329,600
Costs and expenses:	
Costs of goods sold	$149,800
Operating expenses, including depreciation of $7,000	57,800
Interest expense	4,000
Income taxes	56,100
	$267,700
Net income	$ 61,900

working capital _____

net profit or loss _____

return on sales _____

current ratio _____

debt-to-equity ratio _____

return on investment _____

Source: Moore, Carl L. and Robert K. Jaedicke. Managerial Accounting. 4th ed. Cincinnati: South-Western Pub. Co., 1976.

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ASSIGNMENT SHEET #2

The only one valid reason for installing a computer is the possibility of increasing the profitability of the user organization. To determine whether a computer might be practical, a feasibility study should be conducted, asking questions such as:

A. What are the overall objectives of the organization?

B. How can these objectives be achieved?

C. What is the volume of work?

D. What are these procedures carried out; what is their purpose?

E. Who carries them out? How is the company organized; what is the pattern of responsibility? How are people being used? Are highly-qualified people doing jobs unworthy of their calibre?

F. What is the relationship between one procedure and another? How does the work of each section or department impinge upon that of the others?

G. What data is collected and processed during these procedures?

H. What percentage of error occurs?

I. What is the time-scale, e.g., how long a period elapses between receiving an order and fulfilling it?

J. What is the cost of each procedure?

K. What kind of management information is yielded by existing procedures? Is this as much as is needed? Is the format suitable?

Conduct a computer feasibility study for your organization on the basis of the above questions.

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ASSIGNMENT SHEET #3

Read and answer the questions on any one of the following economic case studies:

Case Problem 1

The close of the Russian Revolution found the country in ruins. During the twenty years thereafter, economic activity was chiefly concerned with rebuilding and the establishment of fundamental needs. These demands were so great that little attention could be paid to such consumer goods as household appliances, automobiles, housing, and clothing. By the late 1930s, when the focus began to shift slightly, World War II broke out.

World War II left the U.S.S.R. in a state of devastation. The demands were so great for basic necessities that the nation simply could not afford diverting any of its energies to the production of consumer goods.

By the mid 1960s, the economy had pretty well caught up with itself. This, coupled with a change in political leadership, led to an increase in the production of consumer goods. At the present time, a significant portion of Russian industry is devoted to the satisfaction of the long-pent-up demands of its citizenry for creature comforts.

Recent visitors to the U.S.S.R. describe a fair amount of consumer goods available to Russian consumers. They are surprised, however, at the high prices, poor quality of workmanship, bad styling, and shoddy maintenance.

Questions

1. Why should a country as economically powerful as Russia offer its people such low-quality consumer goods?
2. Can you suggest a solution?

Case Problem 2

By any measure, the automobile industry of the United States is among its most important. Economically, politically, and psychologically, the industry holds an undeniable leadership over other types of business.

The growth of this industry was not a matter of luck. When a list is made of the reasons for the economic success of the United States, it sounds like a description of a major automobile manufacturer: mass production, computerization, specialization, research and development, and all of the other characteristics that have made America great.

Despite these accomplishments, foreign automobile manufacturers have been able to carve out an important slice of the domestic market. Not too long ago, the sight of a Volkswagen, Mercedes-Benz, or Toyota were a rarity, but now they seem to be

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ASSIGNMENT SHEET #3 (continued)

as common as domestic cars. The competition became so great in the early 1970s that the federal government was forced to step in to "protect" these local manufacturers.

Questions

1. Discuss the ways in which American producers competed with one another before the beginning of serious foreign competition.
2. What advantages did the foreign competitors have?
3. What is the status of competition in the American automobile industry today?

Source: Diamond, Jay and Gerald Pintel. Introduction to Contemporary Business. Englewood Cliffs: Prentice-Hall, 1975.

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REVIEW SHEET

Check what you have learned about accounting, budgeting, computers, economics, and advertising, by completing the review sheet below. Then check your answers with the information sheet materials. If you get all fifteen items right, you're doing a terrific job! Twelve right is very good; ten right is fair; and if you got eight or less right, you need some review on the principles.

1. Matching. Match the following terms and their definitions:

_____ A. Accounting	1.	A group of machines whose capabilities include the ability to read in information automatically, to process this according to a program of instructions which it holds in a memory, and to communicate the results of its work automatically to the outside world.
_____ B. Advertising	2.	A plan expressed in quantitive (normally financial) terms.
_____ C. Balance sheet	3.	A report describing sources from which additional funds were derived and the uses to which these funds were put.
_____ D. Break-even point	4.	A report matching the amount of money earned from the sale of goods or from services performed, against the expense incurred in earning that revenue for a specific period of time.
_____ E. Budget	5.	A statement showing how a business is doing as of a particular date.
_____ F. Computer	6.	A system for collecting, summarizing, analyzing, and reporting, in monetary terms, information about an organization.
_____ G. Current assets	7.	All the activities involved in presenting to a group a non-personal, oral or visual, openly sponsored message regarding a product, service, or idea.

_____ H. Current liabilities

_____ I. Economic good

_____ J. Economics

_____ K. Funds flow statement

_____ L. Gross National Product

_____ M. Hardware

_____ N. Income statement

_____ O. Production

_____ P. Profit

_____ Q. Software

8. Consumable supplies for programming and other human effort which makes the machinery operate as required.

9. Output of all production units in the economy.

10. Something which is both useful and scarce.

11. The amount remaining as a result of revenues earned after all expenses associated with conducting the business have been met.

12. The computer machinery itself.

13. The creation or addition of utility (satisfaction) to a good.

14. The production, distribution, and use of goods.

15. Those assets normally converted into cash within a year or a single operating cycle.

16. Those debts that are payable within a year.

17. When sales reach a dollar volume equal to all expenses incurred in attaining that level of sales.

2. Discuss six steps in preparing a budget.

a.

b.

c.

d.

e.

f.

3. List five advantages of using budgets:

   a.

   b.

   c.

   d.

   e.

4. Demonstrate an understanding of financial statements by finding the working capital amount on the balance sheet, finding the net profit or net loss on the income statement shown below, and calculating the current ratio and the return on investment.

Girdler Enterprises, Inc.
Income Statement
For the Year Ended September 30, 1977
(In Thousands of Dollars)

Net sales		$8,462
Cost of goods sold and operating expenses, including depreciation of buildings of $132,000 and depreciation of equipment of $228,000		5,836
Operating income		$2,626
Interest expense	($120)	
Gain on sale of marketable securities	178	
Gain on sale of equipment	37	95
Income before income taxes		$2,721
Income taxes		1,097
Net income		$1,624

Girdler Enterprises, Inc.
Balance Sheets
September 30
(In Thousands of Dollars)

Assets

	1977	1976
Cash	$ 1,748	$ 2,418
Marketable securities	800	2,100
Accounts receivable	1,527	1,543
Inventories	1,176	923
Prepaid expenses	38	46
Investment in Henderson Tool Co.	1,500	---0--
Land	72	72
Buildings, net of depreciation	12,036	3,568
Equipment, net of depreciation	2,217	2,141
Total assets	$21,114	$12,811

Equities

Accounts payable	$ 576	$ 542
Short-term bank loans	150	125
Accrued operating expenses	87	92
Income taxes payable	965	837
Current installment due on long-term notes	200	---0--
Long-term notes payable	800	1,000
Bonds payable, net of discount	4,800	---0--
Capital stock, $10 par value	3,350	3,000
Paid-in capital in excess of par	6,700	4,750
Retained earnings	3,486	2,465
Total equities	$21,114	$12,811

working capital _____

net profit or loss _____

current ratio _____

return on investment _____

5. Discuss at least five limitations in analysis of accounting data.

   a.

   b.

   c.

   d.

   e.

6. List at least ten reasons managers use computers.

   a.

   b.

   c.

   d.

   e.

   f.

   g.

   h.

   i.

   j.

7. Discuss the five classifications of computer systems.

   a.

   b.

   c.

   d.

   e.

8. List at least ten points to consider in choosing a computer.

   a.

   b.

   c.

   d.

   e.

   f.

   g.

   h.

   i.

   j.

9. Discuss three basic economic principles.

   a.

   b.

   c.

10. Discuss the principles of supply and demand.

   a.

   b.

   c.

11. List at least seven unique characteristics of American business.

   a.

   b.

   c.

d.

e.

f.

g.

12. Discuss the four aspects involved in planning for profit.

a.

b.

c.

d.

13. Discuss the four factors influencing profit in break-even analysis.

a.

b.

c.

d.

14. List at least five objectives of advertising.

a.

b.

c.

d.

e.

15. Discuss the seven considerations in selection of advertising media.

a.

b.

c.

d.

e.

f.

g.

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